

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

- filing

LARGO CONCRETE, INC., a California
Corporation; N.M.N. CONSTRUCTION, INC., a
California Corporation

SUMMONS IN A CIVIL CASE

V.

CASE NUMBER:

LIBERTY MUTUAL FIRE INSURANCE COMPANY, a
Massachusetts Corporation, and DOES 1
through 100, inclusive

C07-04651 CRB

TO: (Name and address of defendant)

LIBERTY MUTUAL FIRE INSURANCE COMPANY
175 Berkeley Street
Boston, MA 02117

YOU ARE HEREBY SUMMONED and required to serve upon PLAINTIFF'S ATTORNEY (name and address)

Nicholas P. Roxborough, Esq.
Michael L. Phillips, Esq.
ROXBOROUGH, POMERANCE & NYE, LLP
5820 Canoga Avenue, Suite 250
Woodland Hills, CA 91367

an answer to the complaint which is herewith served upon you, within 20 days after service of this summons upon you, exclusive of the day of service. If you fail to do so, judgement by default will be taken against you for the relief demanded in the complaint. You must also file your answer with the Clerk of this Court within a reasonable period of time after service.

Richard W. Wieking
CLERK

DATE September 7, 2007

KELLY COLLINS

(BY) DEPUTY CLERK

RETURN OF SERVICE

DATE

Service of the Summons and Complaint was made by me¹

Name of SERVER

TITLE

Check one box below to indicate appropriate method of service☐ Served Personally upon the Defendant. Place where served: _____☐ Left copies thereof at the defendant's dwelling house or usual place of abode with a person of suitable age and discretion then residing therein.

Name of person with whom the summons and complaint were left:

☐ Returned unexecuted:☐ Other (specify): _____**STATEMENT OF SERVICE FEES**

TRAVEL

SERVICES

TOTAL

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on _____
Date

Signature of Server

Address of Server

(1) As to who may serve a summons see Rule 4 of the Federal Rules of Civil Procedure.

CIVIL COVER SHEET

JS 44 (Rev. 11/04)

The JS-44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS

LARGO CONCRETE, INC., a California Corporation; N.M.N. CONSTRUCTION, INC., a California Corporation

(b) County of Residence of First Listed Plaintiff Santa Clara
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorney's (Firm Name, Address, and Telephone Number)

Roxborough, Pomerance & Nye, LLP
5820 Canoga Avenue, Suite 250
Woodland Hills, CA 91367
Telephone: (818) 992-9999

DEFENDANTS

LIBERTY MUTUAL FIRE INSURANCE COMPANY, a Massachusetts Corporation, and DOES 1 through 100, inclusive

County of Residence of First Listed Defendant Suffolk
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff
☐ 2 U.S. Government Defendant
☐ 3 Federal Question (U.S. Government Not a Party)
☒ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|---------------------------------------|---------------------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in This State | <input checked="" type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input checked="" type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input checked="" type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motion to Vacate Sentence <input type="checkbox"/> Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition		

V. ORIGIN

(Place an "X" in One Box Only)

- ☒ 1 Original Proceeding
☐ 2 Removed from State Court
☐ 3 Remanded from Appellate Court
☐ 4 Reinstated or Reopened
☐ 5 Transferred from another district (specify)
☐ 6 Multidistrict Litigation
☐ 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
 28 U.S.C. §1332(c)

Brief description of cause: Diversity

VII. REQUESTED IN COMPLAINT: ☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23 DEMAND \$

☐ CHECK YES only if demanded in complaint:
JURY DEMAND: ☒ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See Instructions): JUDGE

DOCKET NUMBER

DATE

September 7, 2007

SIGNATURE OF ATTORNEY OF RECORD

FOR OFFICE USE ONLY

RECEIPT #

AMOUNT

APPLYING IFP

JUDGE

MAG. JUDGE

Nicholas P. Roxborough, Esq. (Bar No. 113540)
Michael L. Phillips, Esq. (Bar No. 232978)
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mlp@rpnlaw.com

ORIGINAL
FILED

SEP 10 2007

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND

E-filing

Attorneys for Plaintiffs, LARGO CONCRETE, INC. and
N.M.N. CONSTRUCTION, INC.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

LARGO CONCRETE, INC., a California
Corporation; N.M.N. CONSTRUCTION,
INC., a California Corporation.

Plaintiffs,

v.

LIBERTY MUTUAL FIRE
INSURANCE COMPANY, a
Massachusetts Corporation, and DOES 1
through 100, inclusive.

Defendants.

Case No.

07-04651

CRB

COMPLAINT FOR:

ADP

**1. TORTIOUS BREACH OF THE
IMPLIED COVENANT OF GOOD
FAITH AND FAIR DEALING;**

2. BREACH OF CONTRACT

DEMAND FOR JURY TRIAL

Plaintiffs LARGO CONCRETE, INC. and N.M.N. CONSTRUCTION, INC.
(hereinafter collectively referred to as "Plaintiffs") allege against defendant, LIBERTY
MUTUAL FIRE INSURANCE COMPANY and DOES 1 through 100, Inclusive, as
follows:

JURISDICTION

1. Jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1332(c),
diversity of citizenship.

///

1 2. The contracts which are the subject of this action were entered into in the
2 County of Santa Clara, State of California, and venue is therefore proper within the
3 Northern District of California. The amount in controversy in this matter, exclusive of
4 interest and costs, exceeds the sum of \$75,000.00, as more fully set forth below.

5 **GENERAL ALLEGATIONS COMMON TO**
6 **ALL CAUSES OF ACTION**

7 3 Plaintiff, LARGO CONCRETE, INC. (hereinafter "LARGO"), a California
8 corporation, is and at all times relevant to this action was licensed to do business in the
9 State of California and maintains its principal place of business in the County of Santa
10 Clara. LARGO is a full service structural concrete contractor.

11 4. Plaintiff, N.M.N. CONSTRUCTION, INC. (hereinafter "N.M.N."), a
12 California corporation, is and at all times relevant to this action was licensed to do
13 business in the State of California and maintains its principal place of business in the
14 County of Santa Clara.

15 4. Plaintiffs are informed and believe and thereon allege that defendant,
16 LIBERTY MUTUAL FIRE INSURANCE COMPANY (hereinafter "LIBERTY"), a
17 Massachusetts corporation is, and at all times herein mentioned was a business
18 enterprise engaged in the business of writing workers' compensation insurance and is
19 doing business in the County of Santa Clara, State of California.

20 5. LARGO procured three workers' compensation policies from LIBERTY
21 that are at issue in this action. The policy periods are as follows:

- 22 A. October 1, 2002 to October 1, 2003 ("2002 LARGO Policy");
23 B. October 1, 2003 to October 1, 2004 ("2003 LARGO Policy");
24 C. October 1, 2004 to October 1, 2005 ("2004 LARGO Policy")

25 6. Attached hereto and incorporated herein by this reference are true and
26 correct copies of the 2002 LARGO Policy, 2003 LARGO Policy and 2004 LARGO
27 Policy, as Exhibits "A," "B," and "C" respectively. Except as otherwise alleged
28

1 herein, the 2002 LARGO Policy, the 2003 LARGO Policy, and the 2004 LARGO
2 Policies are hereinafter referred to collectively as the "LARGO Policies."

3 7. The LARGO Policies included provisions covering California workers'
4 compensation claims. The LARGO Policies called for LARGO to pay a deductible on
5 claims made under the LARGO Policies up to the first \$200,000 per claim. This is what
6 is known in the industry as a "Large Deductible" policy. Under a Large Deductible
7 policy like the 2003 Policy, amounts paid on claims under the deductible amount are
8 paid by the insurer, but reimbursed by the insured by way of a deposit account required
9 by and maintained by LIBERTY. Any amounts paid on claims up to the deductible
10 amount on the 2003 Policy, therefore, are LARGO's money. In consideration for
11 LIBERTY providing the insurance, LARGO paid all premiums due for the LARGO
12 Policies, which amounted to approximately \$1,404,381.00. In addition, in order to enter
13 into the LARGO Policies, LIBERTY required that LARGO post an amount in excess of
14 \$750,000.00 collateral in the form of an evergreen letter of credit ("LOC").

15 8. N.M.N. procured a workers' compensation policy from LIBERTY that is at
16 issue in this action for the policy period of October 1, 2003 to October 1, 2004 ("2004
17 N.M.M. Policy"). The terms of the N.M.N. Policy are substantially similar to those
18 contained within the LARGO Policies except the premium due on the N.M.N. Policy
19 was to be determined following the expiration of the policy period ("Retroactive
20 Policy").

21 9. Plaintiffs were induced to procure workers' compensation insurance
22 policies from LIBERTY by LIBERTY's Customer Service Pledge which stated that
23 LIBERTY agreed to do the following:

- 24 a) Provide Plaintiffs with an Account Executive who will be Plaintiffs'
25 advocate, working with them to solve Plaintiffs' problems.
- 26 b) Assign Plaintiffs a team of people who will understand Plaintiffs'
27 business and know Plaintiffs' operations.
- 28 c) Provide clear and timely communications.

1 d) Demonstrate specific, measurable results within an agreed upon
2 amount of time.

3 e) Provide Plaintiffs with consistent, local account management.

4 f) Provide Plaintiffs with direct access to LIBERTY's experts.

5 g) Work with Plaintiffs to build a long-term, mutually beneficial
6 relationship.

7 h) Use their loss prevention expertise to show Plaintiffs effective ways
8 to increase Plaintiffs' profits.

9 i) Handle Plaintiffs' claims responsively, mitigate losses aggressively,
10 and keep Plaintiffs informed when changes occur.

11 j) Provide Plaintiffs with ready access to LIBERTY's senior
12 management.

13 10. Plaintiffs were also informed that, in conjunction with the LARGO
14 POLICIES and the N.M.N. Policy, LIBERTY would aggressively investigate all
15 questionable claims and utilize their in-house investigation and fraud services.

16 11. LARGO alleges that reserves that a workers' compensation insurance
17 carrier such as LIBERTY places on each individual claim, the amount paid out under a
18 claim, and the manner in which LIBERTY handles and administers the claim,
19 inexorably control the amount LARGO is required to pay on that claim under the
20 LARGO POLICIES.

21 12. Plaintiffs further allege that the reserves that a workers' compensation
22 insurance carrier such as LIBERTY places on each individual claim, the amount paid
23 out under a claim and the manner in which LIBERTY handles and administers the claim
24 are directly related to the premiums charged by LIBERTY and future workers'
25 compensation insurance carriers.

26 13. Plaintiffs further allege that the reserves that a workers' compensation
27 insurance carrier such as LIBERTY places on each individual claim, the amount paid
28 out under a claim and the manner in which LIBERTY handles and administers the claim

1 are directly related to the collateral required by LIBERTY and future insurance carriers.
2 Thus, the mishandling of claims leads directly to higher collateral requirements.

3 14. Plaintiffs allege that mishandling, over payments, and over reserving of
4 claims extends to not only the adjusters, examiners, claims personnel and supervisors of
5 LIBERTY, but also to those in-house workers' compensation defense attorneys ("House
6 Counsel") assigned by LIBERTY to handle the litigated workers' compensation claims
7 on behalf of LARGO, who work directly for LIBERTY, and on who's advise Liberty's
8 claims personnel relied in making claims handling decisions.

9 15. Plaintiffs are informed and believe and thereon allege that by virtue of the
10 LARGO Policies and the N.M.N. Policy, LIBERTY stands in Plaintiffs' shoes as their
11 agent with regard to each claim made under the LARGO Policies and the N.M.N.
12 Policy. Plaintiffs further allege that a special relationship exists between an insured and
13 insurer akin to a fiduciary duty, and that implied in this relationship is a covenant that
14 neither party may act to deprive the other of the benefits of the contract.

15 16. LARGO is informed and believes and thereon alleges that LIBERTY
16 mishandled, overpaid, and over-reserved claims made under the LARGO POLICIES in
17 such a way as to artificially increase amounts LARGO was required to pay on those
18 claims.

19 17. Plaintiffs are informed and believe and thereon alleges that LIBERTY
20 mishandled, overpaid, and over-reserved claims made under the LARGO Policies and
21 the N.M.N. Policy in such a way as to artificially increase the amount of collateral
22 LIBERTY continues to require on the LARGO Policies and the N.M.N. Policy, as well
23 as amounts of collateral required by subsequent workers' compensation carriers for
24 Plaintiffs.

25 18. In or around the spring of 2006, Plaintiffs became concerned with the
26 manner in which claims from Plaintiffs' employees were being handled by LIBERTY.
27 Plaintiffs than began to investigate and discovered that:

28 ///

1 a) LIBERTY has failed to reasonably investigate and defend the
2 compensability of claims and failed to timely deny questionable claims;

3 b) LIBERTY has set reserves in amounts unreasonably disproportionate
4 to the expected losses on claims;

5 c) LIBERTY has failed to monitor and/or adjust claims reserves on a
6 periodic basis with the result that claims were not kept current and did not reflect
7 the appropriate case value;

8 d) LIBERTY failed to communicate in good faith with Plaintiffs and in
9 doing so, also failed to keep Plaintiffs updated on significant events in claims
10 files;

11 e) LIBERTY ignored vital information provided by Plaintiffs to
12 LIBERTY for purposes of valuing and administering claims; and

13 f) LIBERTY utilized its medical review process to the detriment of
14 LARGO and to the benefit of LIBERTY;

15 19. Plaintiffs allege that they requested, on numerous occasions, access to their
16 claims files and were denied such access on numerous occasions by LIBERTY.

17 20. Plaintiffs allege that once they were permitted access to a portion of their
18 claims files in or around the winter of 2007, extraordinary time constraints were placed
19 on Plaintiffs to review and analyze the claims files in preparation for a settlement
20 negotiation meeting with LIBERTY. Plaintiffs completed their review and analysis only
21 to have the meeting canceled by LIBERTY.

22 21. Plaintiffs allege that in or around the spring of 2007 Plaintiffs attempted to
23 resolve the dispute with LIBERTY, however, LIBERTY was unwilling to participate in
24 substantive discussion of the outstanding issues unless Plaintiffs executed a "White
25 Waiver" that would serve to bar introduction of LIBERTY's continued bad-faith tactics.
26 Plaintiffs refused to execute such a waiver.

27 ///

28 ///

FIRST CAUSE OF ACTION

**(Tortious Breach of the Implied Covenant of Good Faith and Fair Dealing
Against LIBERTY and DOES 1 through 100)**

22. Plaintiffs incorporate herein by this reference as though fully set forth in this Cause of Action each and every allegation contained in Paragraphs 1 through 21, inclusive, of this Complaint.

23. Plaintiffs are informed and believe and thereon allege that LIBERTY and DOES 1 through 100 have tortuously breached the implied covenant of good faith and fair dealing by the following acts or omissions which are implied obligations under the LARGO Policies and the N.M.N:

a) LIBERTY has failed to reasonably investigate and defend the compensability of claims and failed to timely deny questionable claims;

b) LIBERTY has set reserves in amounts unreasonably disproportionate to the expected losses on claims;

c) LIBERTY has failed to monitor and/or adjust claims reserves on a periodic basis with the result that claims were not kept current and did not reflect the appropriate case value;

d) LIBERTY failed to communicate in good faith with Plaintiffs and in doing so, also failed to keep Plaintiffs updated on significant events in claims files;

e) LIBERTY ignored vital information provided by Plaintiffs to LIBERTY for purposes of valuing and administering claims;

f) LIBERTY utilized its medical review process to the detriment of Plaintiffs and to the benefit of LIBERTY;

g) LIBERTY has failed to provide Plaintiffs meaningful access to their claim files.

24. Plaintiffs are informed and believe and thereon allege that LIBERTY and Does 1-100, and each of them, have committed further acts or omissions in violation of

1 their duty of good faith and fair dealing. These acts are presently unknown to Plaintiffs
2 and at such time as they may be discovered, Plaintiffs will seek leave of court to amend
3 this Complaint.

4 25. As a proximate result of LIBERTY's conduct, as described hereinabove,
5 Plaintiffs have suffered general and special damages which include having to pay and
6 being forced to pay artificially inflated amounts under the LARGO Policies, having to
7 pay unnecessarily increased premiums to LIBERTY (and other workers' compensation
8 carriers in the future); having artificially inflated collateral requirements; and having had
9 to incur expenses and costs to hire outside consultants, experts and attorneys to assist
10 Plaintiffs in obtaining these benefits under the LARGO Policies and the N.M.N. Policy.

11 26. Plaintiffs further allege that the conduct of LIBERTY and DOES 1 through
12 100, as set forth above, was carried out in bad faith, was malicious, fraudulent,
13 oppressive and evidences a complete disregard for Plaintiffs' interests and an intent to
14 injure, harass, vex and annoy Plaintiffs. Under the circumstances described, Plaintiffs
15 allege LIBERTY's conduct constitutes "despicable conduct" as defined in *California*
16 *Code of Civil Procedure* § 3294 and established common law, thus entitling Plaintiffs to
17 recover punitive damages in an amount appropriate to punish or to set an example of
18 Defendants, and each of them. Plaintiffs further allege that LIBERTY at all times acted
19 through its officers, directors and employees and that it had advance knowledge of the
20 damage being caused to Plaintiffs and that LIBERTY approved, ordered, instructed,
21 supervised and controlled the conduct of its officers, directors and employees such as to
22 constitute a ratification of the conduct of said officers, directors and employees.
23 Accordingly, pursuant to the doctrine of Respondent Superior, both LIBERTY and
24 DOES 1 through 100 are liable for punitive damages as prayed for herein.

25 ///

26 ///

27 ///

28 ///

SECOND CAUSE OF ACTION**(Breach of Contract against LIBERTY and DOES 1 through 100)**

27. Plaintiffs incorporate by this reference as though fully set forth in this Cause of Action each and every allegation contained in Paragraphs 1 through 26, inclusive, of this Complaint.

28. Plaintiffs are informed and believe and thereon allege that Plaintiffs and LIBERTY entered into the LARGO Policies and N.M.N. Policy whereby Plaintiffs agreed to purchase insurance from LIBERTY covering workers compensation. LIBERTY breached the LARGO Policies and N.M.N. Policy by, including, but not limited to, the behavior alleged in Paragraphs 14, 16, 17, 18, 19, 20 and 21 of this Complaint.

29. Plaintiffs have performed all of their duties and obligations under the LARGO Policies and N.M.N. Policy agreements except for which any of whose performance has been excused by LIBERTY's conduct.

30. In or around Spring, 2006, Plaintiffs became concerned with the manner in which claims from Plaintiffs' employees were being handled by LIBERTY and believed that LIBERTY had breached their obligations and duties owed under the LARGO Policies and N.M.N. Policy.

31. As a proximate result of LIBERTY's breaches arising under the LARGO Policies and N.M.N. Policy, Plaintiffs have suffered losses in an amount within the jurisdictional limits of this Court. When Plaintiffs ascertain the total amount of their damages, Plaintiffs will ask leave of Court to allow amendment to this Complaint setting forth such total amount and loss.

WHEREFORE, Plaintiffs pray for judgment against Defendants, and each of them, as follows:

ON THE FIRST CAUSE OF ACTION

1. For general damages in an amount which exceeds the minimum jurisdictional limits of this court;

- 1 2. For special damages in a sum to be proven at trial;
- 2 3. For recovery of all attorneys' and consultants' fees, costs and expenses
- 3 incurred to pursue and obtain the benefits of the LARGO Policies and N.M.N. Policy;
- 4 4. For punitive and exemplary damages in an amount appropriate to punish or
- 5 set an example of Defendants;

6 **ON THE SECOND CAUSE OF ACTION**

- 7 5. For general and special damages in a sum to be proven at trial;

8 **ON ALL CAUSES OF ACTION**

- 9 7. For all costs incurred by Plaintiffs to date and to be incurred by Plaintiffs
- 10 hereafter in connection with this action; and
- 11 8. For such other and further relief as the court deems just and proper.

12 **DEMAND FOR JURY TRIAL**

13 Pursuant to *Federal Rules of Civil Procedure*, Rule 387 and *Civil Local Rule 3-6*,

14 Plaintiff hereby demands a jury trial on all issues to triable.

15

16 DATED: September 7, 2007 ROXBOROUGH, POMERANCE & NYE LLP

17

18 By: 

19 NICHOLAS P. ROXBOROUGH, ESQ.

20 MICHAEL L. PHILLIPS, ESQ.

21 Attorneys for Plaintiffs, LARGO CONCRETE, INC.

22 and N.M.N. CONSTRUCTION, Inc.

23

24

25

26

27

28

ISSUING OFFICE 600
INFORMATION PAGELIBERTY
MUTUAL.Workers Compensation and
Employers Liability Policy

ACCOUNT NO. 6-036631		SUB ACCT NO. 0000		Liberty Mutual Insurance Group/Boston		SUBJECT TO DEDUCTIBLE	
				Liberty Mutual Fire Insurance Company		16586	
POLICY NO.	TD/CD	SALES OFFICE	CODE	SALES REPRESENTATIVE	CODE	N/R	1ST YEAR
WA2-16D-036631-142	32/3	PLEASANTON, CA	669	CASWELL	6893	1	2002

Item 1. Name of LARGO CONCRETE INC
Insured

FEIN 770226865

Address 891 W HAMILTON AVE
CAMPBELL CA 95008

Status Corporation

Other workplaces not shown above: See Item 4

Item 2. Policy Period: From	Mo.	Day	Year	to	Mo.	Day	Year
	10	01	2002		10	01	2003
	12:01 am			standard time at the address of the insured as stated herein.			

Item 3. Coverage

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

CA

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ 1,000,000	each accident
Bodily Injury by Disease	\$ 1,000,000	policy limit
Bodily Injury by Disease	\$ 1,000,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

All States except those listed in Item 3.A and the States of:
AK ND OH WA WV WYD. This policy includes these endorsements and schedules: SEE EXTENSION OF INFORMATION PAGE
AND DEDUCTIBLE ENDORSEMENTS ATTACHED

Item 4. Premium — The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis Estimated Total Annual Remuneration	Rates Per \$100 of Re-muneration	LINE 140 Estimated Annual Premiums
SEE EXTENSION OF INFORMATION PAGE				
Minimum Premium \$ 1703 (CA)		Total Estimated Annual Premium \$ 327,094		
Interim adjustment of premium shall be made: Annual		Deposit Premium \$ 327,094		

This policy, including all endorsements issued therewith, is hereby countersigned by

Authorized Representative Date 10/16/2002

rate is flat 3.55 per 100 of payroll.

Loc. Code	Term. Oper. TJP	Audit Basis	Periodic Payment	Rating Basis	Pol. H.G.	Home State	Dividend	New
	10/16/2002	1		DED		CA		

A
EXHIBIT

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Policy Notices and Applications

<u>Form Number</u>	<u>Form Name</u>
GPO 4187 R12	CA Workers Compensation Administrative/User Funding Surcharge
GPO 4521 R11	California Notice To Policyholder
GPO 4569 R1	California Notice of Availability of Occupational Safety and Health Loss Control Consultation Services
GPO 4570 R3	California Workers' Compensation Notice To Policyholders
GPO 4614 R2	California Notice to Policyholder
GPO 4662 R3	Loss Prevention Services
GPO 4722	Policyholder Notice
GPO 4756	LM WC and Group Benefits Privacy Practices Disclosure Notice

Policy Schedules

<u>Form Number</u>	<u>Form Name</u>
GPO 4032 R2	WC Company 2 Jacket (GPO 4032 R2)
GPO 4772	LMFIC - Notice of Membership in Liberty Mutual Holding Company Inc. and Notice of Annual Meeting
WC 00 00 01 A	Information Page (1 YR)
GPO 4741	Miscellaneous Form and Endorsement Schedule
GPO 2923	Item 4. Premium - Extension of Information Page
GPO 2926	U.S.L. and H.W. Compensation Act Schedule
GPO 4162	Named Insured Link Schedule

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 00 04 03	Experience Rating Modification End. Factor	1	
WC 04 01 01 A	Longshore and Harbor Workers' Compensation Act Coverage - California	End. 2	
WC 04 03 01 A	Policy Amendatory - California	End. 3	
WC 04 03 05	Voluntary Compensation and Employers Liability Coverage - California	End. 4	
WC 04 03 06	Waiver of Our Right to Recover From Others - California	End. 5	

Policy No. WA2-16D-036631-142

Page 1

GPO 4741
Ed. 01/01/2001

WC 00 00 01 A

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Continued:

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 04 03 36	Endorsement Agreement Limiting and Restricting This Insurance	End. 6	
WC 04 03 60 A	Employers Liability Coverage Amendatory - California	End. 7	
WC 04 04 02	Mandatory Rate Change - California	End. 8	
WC 04 04 07	Premium Adjustment Endorsement - California	End. 9	
WC 04 06 01 A	California Cancelation Endorsement	End. 10	
WC 99 04 34	California Amendatory Endorsement	End. 11	
WC 99 06 27 R2	Deductible Endorsement	End. 12	
WC 99 06 88	Deductible Endorsement - Amendatory - California	End. 13	

Policy No. WA2-16D-036631-142

Page 2

GPO 4741

WC 00 00 01 A

Ed.01/01/2001

Item 4. Premium - Extension of Information Page

Classification of Operations Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Class Code	Premium Basis Payroll - Unless otherwise indicated a) Flat Charge b) Per Capita c) Passenger Seat d) Premium e) Other	Rate Payroll-Per \$100	Estimated Premium
California				
Campbell: 891 W Hamilton Ave 95008				
Concrete Construction NOC	5213	9,100,000	15.48	1,408,680
Salespersons - Outside	8742	3,060,000	1.65	50,490
Clerical Office Employees - NOC	8810	744,000	1.34	9,970
Construction or Erection Permanent Yards	8227	96,000	15.13	14,525
Subject to Voluntary Compensation Endorsement				
Salespersons - Outside	8742	If Any	1.65	0
Manual Premium				\$1,483,665
Waiver of Subrogation Premium	0930			1,250
Large Deductible Credit	9664		.635	(942,921)
Experience Modification(.71 PRLM)	9898	d) 541,994		(157,178)
Modified Premium				\$384,816
Schedule Rating	9887		.15	(57,722)
Standard Premium				\$327,094
Total Premium for California				\$327,094
California Insurance Guarantee Association	0936	d) 327,094	.02	6,542
California User Fund/WC Administrative Revolving Fund	0935	d) 896,147	.001335	1,196
CA Fraud Investigation/Prosecution Surcharge	9703	d) 896,147	.002168	1,943

Item 4. Premium - Extension of Information Page

UNITED STATES LONGSHORE AND HARBOR
WORKERS COMPENSATION ACT - INCIDENTAL

<u>States</u>	Percent of increase - <u>non-Federal rates</u>	<u>States</u>	Percent of increase - <u>non-Federal rates</u>
California	112.3%		

NAMED INSURED LINK SCHEDULE

Name				
Link				
Code	Insured Name/Location	City	State	Zip
001	Largo Concrete, Inc.			
001	FEIN: 77-0226865			
001	891 W Hamilton Ave	Campbell	CA	95008

Policy No. WA2-16D-036631-142

GPO4162

Page 1

Ed. 8/16/2001

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **1**

WC 00 04 03
(Ed. 4-84)

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT - CALIFORNIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in California. The policy applies to that work as though California were listed in item 3.A of the information Page.

General Section C. Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the Workers' or Workmen's Compensation Law and occupational disease law of each state or territory named in Item 3.A of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Section 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal Workers' or Workmen's Compensation Law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

The estimated premium for the Longshore and Harbor Workers' Compensation Act coverage provided by this endorsement is as shown in the Schedule below or Item 4 of the Information Page.

Schedule

Code No.	Classification	Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
-------------	----------------	-------------------------------------	--------------------------------------	--------------------------------

Total Estimated Annual Premium \$ _____

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Countersigned by _____
Authorized Representative

End. Serial No. 2

WC 04 01 01 A

Page 1 of 1

Ed. 4/1992

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**POLICY AMENDATORY ENDORSEMENT — CALIFORNIA**

It is agreed that, anything in the policy to the contrary notwithstanding, such insurance as is afforded by this policy by reason of the designation of California in Item 3 of the information page is subject to the following provisions:

1. **Minors Illegally Employed — Not Insured.** This policy does not cover liability for additional compensation imposed on you under Section 4557, Division IV, Labor Code of the State of California, by reason of injury to an employee under sixteen years of age and illegally employed at the time of injury.
2. **Punitive or Exemplary Damages — Uninsurable.** This policy does not cover punitive or exemplary damages where insurance or liability therefor is prohibited by law or contrary to public policy.
3. **Increase in Indemnity Payment — Reimbursement** You are obligated to reimburse us for the amount of increase in indemnity payments made pursuant to subdivision (d) of Section 4650 of the California Labor Code, if the late indemnity payment which gives rise to the increase in the amount of payment is due less than seven(7) days after we receive the completed claim form from you. You are obligated to reimburse us for any increase in indemnity payments not covered under this policy and will reimburse us for any increase in indemnity payment not covered under the policy when the aggregate total amount of the reimbursement payments paid in a policy year exceeds one hundred dollars(\$100).

If we notify you in writing, within 30 days of the payment, that you are obligated to reimburse us, we will bill you for the amount of increase in indemnity payment and collect it no later than the final audit. You will have 60 days, following notice of the obligation to reimburse, to appeal the decision of the insurer to the Department of Insurance.

4. **Application of Policy.** Part One, "Workers' Compensation Insurance", A, "How This Insurance Applies", is amended to read as follows:

This worker's compensation insurance applies to bodily injury by accident or disease, including death resulting therefrom. Bodily injury by accident must occur during the policy period. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. **Rate Changes.** The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.
6. **Long Term Policy.** If this policy is written for a period longer than one year, all the provisions of this policy shall apply separately to each consecutive twelve month period or, if the first or last consecutive period is less than twelve months, to such period of less than twelve months, in the same manner as if a separate policy had been written for each consecutive period.
7. **Statutory Provision.** Your employee has a first lien upon any amount which becomes owing to you by us on account of this policy, and in the case of your legal incapacity or inability to receive the money and pay it to the claimant, we will pay it directly to the claimant.

It is further agreed that this policy, including all endorsements forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in this policy or such endorsements shall affect such contract or any rights, duties, or privileges arising therefrom.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **3**

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

**VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT - CALIFORNIA**

If the employer named in item 1 of the Information Page has in his employment persons not entitled to compensation under Division 4 of the Labor Code of the State of California, this policy shall operate as an election on the part of the employer to come under the compensation provisions of Division 4 with respect to those persons described in the Schedule below.

This policy applies to those persons described in the Schedule below as employees.

Schedule

All Employees except those specifically excluded by endorsement.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **4**

WC 04 03 05
(Ed. 1-85)

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT — CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____% of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

See attached Schedule

\$250 Flat charge per waiver

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **5**

WC 04 03 06

Waivers of Subrogation

Core Builders & Owner
470 S. Market Street
San Jose, CA 95113-2819
Re: L453 Tully Gardens Ph II L.P.

Walte Neal/Cambrian Properties LLC
770 Chestnut Street
San Jose, CA 95110
Re: L397

Core General Contractor, Inc.
470 South Market Street
San Jose, CA 95113-2819
Re: L431 Tully Gardens

Dana Simoncic
Camden Development, Inc.
Camden USA, Inc.
120 Newport Center Drive, #160
Newport Beach, CA 92660
Re: L405 Harbour View Tower

Nibbi Bros. Construction
1433- 17th Street
San Francisco, CA 94107
Re: L452 San Francisco County Jail #3

Largo Concrete, Inc.
WA2-16D-036631-142

End Serial No. 5
Page 2 of 2

WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

ENDORSEMENT AGREEMENT LIMITING AND RESTRICTING THIS INSURANCE

The insurance under this policy is limited as follows:

It is AGREED that, anything in this policy to the contrary notwithstanding, this policy DOES NOT INSURE:

**LIABILITY
NOT INSURED**

Any liability which the employer named in item 1 of the Information Page may have arising out of operations conducted jointly by the employer with any other person, firm or corporation, except as specifically set forth in item 1 of the Information Page or by endorsement attached to this policy.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **6**

04 03 36
8/15/84)

FAILURE TO SECURE THE PAYMENT OF FULL COMPENSATION BENEFITS FOR ALL EMPLOYEES AS REQUIRED BY LABOR CODE SECTION 3700 IS A VIOLATION OF LAW AND MAY SUBJECT THE EMPLOYER TO THE IMPOSITION OF A WORK STOP ORDER. LARGE FINES AND OTHER SUBSTANTIAL PENALTIES (Labor Code Section 3710.1, et seq.).

EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT - CALIFORNIA

The insurance afforded by Part Two (Employers' Liability Insurance) by reason of designation of California in Item 3 of the information page is subject to the following provisions:

A. **"How This Insurance Applies,"** is amended to read as follows:

A. How This Insurance Applies

This employers' liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury means a physical injury, including resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in California.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. The **"Exclusions"** section is modified as follows (all other exclusions in the **"Exclusions"** section remain as is):

1. **Exclusion 1** is amended to read as follows:
 1. **liability assumed** under a contract.
2. **Exclusion 2** is deleted.
3. **Exclusion 7** is amended to read as follows:
 7. **damages** arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, **defamation**, harassment, humiliation, discrimination against or termination of any employee, **termination** of employment, or any personnel practices, policies, acts or omissions.

**EMPLOYERS' LIABILITY COVERAGE AMENDATORY
ENDORSEMENT - CALIFORNIA**

4. The following exclusions are added:

1. bodily injury to any member of the flying crew of any aircraft.
2. bodily injury to an employee when you are deprived of statutory or common law defenses or are subject to penalty because of your failure to secure your obligations under the Workers' Compensation law(s) applicable to you or otherwise fail to comply with that law.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Countersigned by _____
Authorized Representative

End. Serial No. 7

WC 04 03 60 A

Page 2 of 2

Ed. 11/1999

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MANDATORY RATE CHANGE ENDORSEMENT - CALIFORNIA

The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **8**

PREMIUM ADJUSTMENT ENDORSEMENT - CALIFORNIA

We have the right to adjust the policy premium after issuance of the policy if the cost of providing the benefits required under the workers' compensation laws of California is affected by legislative or regulatory changes adopted after issuance of the policy. The amount of the adjustment will not exceed the change in the cost of providing the benefits as reflected in the pure premium rates approved by the Insurance Commissioner.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

Policy Eff. Date -10/01/2002

For attachment to Policy No. WA2 -16D -036631 -142

Countersigned by _____
Authorized Representative

End. Serial No. 9

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

CALIFORNIA CANCELATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the information page.

The cancellation condition in Part Six (Conditions) of the policy is replaced by these conditions:

Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Failure to report payroll;
 - c. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - d. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - e. Material misrepresentation made by you or your agent;
 - f. Failure to cooperate with us in the investigation of a claim;
 - g. Failure to comply with Federal or State safety orders;
 - h. Failure to comply with written recommendations of our designated loss control representatives;
 - i. The occurrence of a material change in the ownership of your business;
 - j. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - k. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - l. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties.

3. If we cancel your policy for any of the reasons listed in (a) through (f), we will give you 10 days advance written notice, stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice. If we cancel your policy for any of the reasons listed in Items (g) through (l), we will give you 30 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. The policy period will end on the day and hour stated in the cancellation notice.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by

Authorized Representative

Issued

Sales Office and No.

End. Serial No. **10**

Workers Compensation and Employers Liability Policy

California Amendatory Endorsement

With respect to the insurance of risks and operations in California covered by this policy, the following language is deleted from the policy: "This policy is classified in Dividend Class XIII Workers Compensation and Employers Liability," and replaced by the following: "THIS POLICY IS ISSUED ON A NON-PARTICIPATING BASIS."

This endorsement is ~~executed~~ by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No **WA2-16D-036631-142**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **11**

DEDUCTIBLE ENDORSEMENT

This deductible endorsement applies only to the insurance provided by the policy because the following states are listed in item 3.A. of the Information Page:

CA

This deductible endorsement applies between you and us. It does not affect or alter the rights of others under the policy.

<u>Coverage</u>	<u>Deductible Amount; Basis</u>		
Bodily Injury By Accident	\$	200,000	each occurrence
Bodily Injury By Disease	\$	200,000	each claim
All Covered Bodily Injury	\$	650,000	policy aggregate

A. How This Deductible Applies

1. Each Occurrence; Each Claim

You are responsible, up to the deductible amount shown above, for the total of:

- a. all benefits required of you by the Workers' Compensation law (including benefits payable under PART THREE - OTHER STATES INSURANCE or under any endorsement); plus
- b. all sums you legally must pay as damages; plus
- c. all "allocated loss adjustment expense" as part of any claim or suit we defend;

because of (1) bodily injury by accident to your employees arising out of any one "occurrence"; (2) bodily injury by disease to your employee arising out of any one "claim".

We are responsible for those amounts of benefits, damages that exceed the applicable deductible amount shown above.

We will advance part or all of the deductible amount to settle any claim, proceeding or suit. You will reimburse us promptly for any amount(s) we have so advanced.

2. Policy Period Aggregate

The amount shown above as "policy aggregate", is the most you must pay for the sum of all benefits, damages and "allocated loss adjustment expense" because of bodily injury by accident and bodily injury by disease for each policy period.

The "aggregate" will not be reduced if:

- (a) this endorsement is issued for a term of less than (1) year, or
- (b) the policy or this endorsement is cancelled by you or by us before the end of the policy period.

DEDUCTIBLE ENDORSEMENT

B. Effect of Deductible on Limits of Liability

1. With respect to the Employers' Liability Insurance provided by this policy, the applicable "each employee", "each accident", "policy" or other similar limits of liability are reduced by the sum of all damages but not "allocated loss adjustment expense" within the applicable deductible amount shown above. Those limits are not in addition to the deductible amount. This provision applies whether the Employers' Liability Insurance is provided by PART TWO or by an endorsement to this policy.
2. For purposes of this paragraph B., all damages because of bodily injury by accident or bodily injury by disease are deemed to have been paid or to be payable before "allocated loss adjustment expense" has been paid or is payable.

C. Definitions

1. "Allocated loss adjustment expense" means claim adjustment expense directly allocated by us to a particular claim. Such expense shall include, but shall not be limited to, attorneys' fees for claims in suit, court and other specific items of expense such as medical examination, expert medical or other testimony, laboratory and X-ray, autopsy, stenographic, witnesses, and summonses, and copies of documents.
2. "Claims" means a written demand you receive for:
 - a. benefits required of you by the Workers' Compensation law; or
 - b. damages covered by this policy;including a filing by your employee for such benefits with an agency authorized by law, and a suit or other proceeding brought by your employee for such benefits or damages. "By your employee" includes such action taken by others legally entitled to do so on his or her behalf.

All claims for benefits or damages because of bodily injury by the same or related diseases to any one person will be considered as one claim when determining how the deductible amounts apply.
2. "Occurrence" means a single accident which results in bodily injury to one or more of your employees.

D. Conditions

1. Recovery From Others

We have your rights and the rights of persons entitled to the benefits of this insurance to recover all advances and payments, including those within the deductible amount from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover will first be applied to any payments made by us in excess of the deductible amount; only then will the remainder of that recovery, if any, be applied to reduce the deductible amount paid or reimbursed or reimbursable to you.

DEDUCTIBLE ENDORSEMENT

2. Cancellation

You must (a) promptly pay all amounts for which you are responsible under this endorsement, and (b) reimburse us for any such amounts that we advance upon receipt of a billing from us.

If you fail to do so, we may, at our option, cancel either this endorsement or this policy by mailing or delivering to you not less than ten days written notice stating the day and hour the cancellation is to take effect. Mailing that notice to you at your mailing address shown in item 1 of the Information Page will be sufficient to prove notice.

3. Your Duties

- a. The First Named Insured shown in the Declarations agrees and is authorized on behalf of all Named Insured to reimburse us for all deductible amounts that we advance.
- b. Each Named Insured is jointly and severally liable for all deductible amounts under this policy.

4. Other Right and Duties (Ours and Yours)

All other terms of this policy, including those which govern (a) our right and duty to defend any claim, proceeding or suit against you, and (b) your duties if injury occurs, apply irrespective of application of this deductible endorsement.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-142

Countersigned by _____
Authorized Representative

End. Serial No. 12

DEDUCTIBLE ENDORSEMENT

AMENDATORY ENDORSEMENT - CALIFORNIA

This endorsement adds the following paragraph to Section D.2. Cancellation of DEDUCTIBLE ENDORSEMENT WC 99 06 27 R2 to this policy, solely with respect to California:

Nonpayment of deductible amounts by you will not relieve us from payment of compensation for covered bodily injury to an employee while the policy is in effect. We will not cancel this deductible endorsement retroactively for nonpayment of deductible amounts.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date 10/01/2003

For attachment to Policy No. **WA2-16D-036631-142**

Countersigned by _____
Authorized Representative

End. Serial No. 13

ISSUING OFFICE 600
INFORMATION PAGEWorkers Compensation and
Employers Liability Policy

ACCOUNT NO. 036631	SUB ACCT NO. 0000	Liberty Mutual Insurance Group/Boston		SUBJECT TO DEDUCTIBLE	
		Liberty Mutual Fire Insurance Company		16586	
POLICY NO. WA2-16D-036631-143	TD/CD 32/1	SALES OFFICE PLEASANTON, CA	CODE 669	SALES REPRESENTATIVE CASWELL	CODE 6893
				N/R 2	1ST YEAR 2002

Item 1. Name of LARGO CONCRETE INC
Insured

FEIN 770226865

Address 891 W HAMILTON AVE
CAMPBELL CA 95008

Status Corporation

Other workplaces not shown above: See Item 4

Item 2. Policy Period: From Mo. Day Year to Mo. Day Year
10 01 2003 12:01 am to 10 01 2004 standard time at the address of the insured as stated herein.

Item 3. Coverage

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

CA

B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ 1,000,000	each accident
Bodily Injury by Disease	\$ 1,000,000	policy limit
Bodily Injury by Disease	\$ 1,000,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

All States except those listed in Item 3.A and the States of:
AK ND OH WA WV WY

D. This policy includes these endorsements and schedules: SEE EXTENSION OF INFORMATION PAGE
AND DEDUCTIBLE ENDORSEMENTS ATTACHED

Item 4. Premium — The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications		Premium Basis	Rates	LINE 140
	Code No.	Estimated Total Annual Remuneration	Per \$100 of Re-muneration	Estimated Annual Premiums
SEE EXTENSION OF INFORMATION PAGE				

Minimum Premium \$ 2351 (CA)

Total Estimated Annual Premium \$ 351,617

Interim adjustment of premium shall be made: Annual

Deposit Premium \$ 351,617

This policy, including all endorsements issued therewith, is hereby countersigned by

Authorized Representative

Date 10/16/2003

Loc. Code	Term. Oper. JMD	Audit Basis	Periodic Payment	Rating Basis	Pol. H.G.	Home State	Dividend	Renewal Of
	10/16/2003	1		DED		CA		WA2-16D-036631-142

EXHIBIT B

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Policy Notices and Applications

<u>Form Number</u>	<u>Form Name</u>
GPO 4187 R13	CA Workers Compensation Administrative/User Funding Surcharge
GPO 4521 R12	California Notice To Policyholders
GPO 4569 R1	California Notice of Availability of Occupational Safety and Health Loss Control Consultation Services
GPO 4570 R5	California Workers' Compensation Notice To Policyholders
GPO 4614 R2	California Notice to Policyholder
GPO 4662 R3	Loss Prevention Services
GPO 4722	Policyholder Notice
GPO 4756 R1	LM WC and Group Benefits Privacy Practices Disclosure Notice

Policy Schedules

<u>Form Number</u>	<u>Form Name</u>
GPO 4032 R2	WC Company 2 Jacket (GPO 4032 R2)
GPO 4772	LMFIC - Notice of Membership in Liberty Mutual Holding Company Inc. and Notice of Annual Meeting
WC 00 00 01 A	Information Page (1 YR)
GPO 4741	Miscellaneous Form and Endorsement Schedule
2923	Item 4. Premium - Extension of Information Page
GPO 2926	U.S.L. and H.W. Compensation Act Schedule
GPO 4162	Named Insured Link Schedule

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 1	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 2	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 3	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 4	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 5	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 6	

Policy No. WA2-16D-036631-143

Page 1

GPO 4741
Ed.01/01/2001

WC 00 00 01 A

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Continued:

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 7	
WC 00 04 03	Experience Rating Modification Factor	End. 8	
WC 00 04 19	Premium Due Date Endorsement	End. 9	
WC 00 04 20	Terrorism Risk Insurance Act Endorsement	End. 10	
WC 04 01 01 A	Longshore and Harbor Workers' Compensation Act Coverage - California	End. 11	
WC 04 03 01 A	Policy Amendatory - California	End. 12	
WC 04 03 03	Officers and Directors Coverage/Exclusion - California	End. 13	
WC 04 03 05	Voluntary Compensation and Employers Liability Coverage - California	End. 14	
WC 04 03 06	Waiver of Our Right to Recover From Others - California	End. 15	
04 03 36	Endorsement Agreement Limiting and Restricting This Insurance	End. 16	
WC 04 03 60 A	Employers Liability Coverage Amendatory - California	End. 17	
WC 04 04 02	Mandatory Rate Change - California	End. 18	
WC 04 04 07	Premium Adjustment Endorsement - California	End. 19	
WC 04 06 01 A	California Cancelation Endorsement	End. 20	
WC 99 04 34	California Amendatory Endorsement	End. 21	
WC 99 06 27 R2	Deductible Endorsement	End. 22	
WC 99 06 88	Deductible Endorsement - Amendatory - California	End. 23	

Policy No. WA2-16D-036631-143

Page 2

PO 4741
Ed.01/01/2001

WC 00 00 01 A

Item 4. Premium - Extension of Information Page

Classification of Operations describes in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Class Code	Premium Basis Payroll - Unless otherwise indicated a) Flat Charge b) Per Capita c) Passenger Seat d) Premium e) Other	Rate Payroll- Per \$100	Estimated Premium
California				
Campbell: 891 W Hamilton Ave 95008				
Concrete Construction NOC	5213	7,840,000	18.95	1,485,680
Salespersons - Outside	8742	2,300,000	2.16	49,680
Clerical Office Employees - NOC	8810	700,000	1.86	13,020
Construction or Erection Permanent Yards	8227	160,000	21.41	34,256
Subject to Voluntary Compensation Endorsement				
Salespersons - Outside	8742	If Any	2.16	0
Manual Premium				\$1,582,636
Waiver of Subrogation Premium	0930			3,500
Large Deductible Credit	9664		.672	(1,065,883)
Experience Modification (.71 PRLM)	9898 d)	520,253		(150,873)
Modified Premium				\$369,380
Schedule Rating	9887		.06	(22,163)
Standard Premium				\$347,217
Terrorism Risk Insurance Act of 2002 - Certified Losses	9740	11,000,000	.04	4,400
Total Premium for California				\$351,617
California Insurance Guarantee Association	0936 d)	351,617	.02	7,032
California User Fund/WC Administrative Revolving Fund	0935 d)	1,058,588	.000971	1,028
CA Fraud Investigation/Prosecution Surcharge	9703 d)	1,058,588	.00118	1,249

Policy No. WA2-16D-036631-143

Page No. 1

Item 4. Premium - Extension of Information Page

**UNITED STATES LONGSHORE AND HARBOR
WORKERS COMPENSATION ACT - INCIDENTAL**

<u>States</u>	Percent of increase - <u>non-Federal rates</u>	<u>States</u>	Percent of increase - <u>non-Federal rates</u>
California	112.3%		

NAMED INSURED LINK SCHEDULE

Name Link Code	Insured Name/Location	City	State	Zip
001	Largo Concrete, Inc.			
001	FEIN: 77-0226865			
001	891 W Hamilton Ave	Campbell	CA	95008

Policy No. WA2-16D-036631-143

GPO4162

Page 1

Ed. 8/16/2001

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L463 & L489 San Jose Civic Center

Carrier: AIG

Policy Period 02/01/03 - 04/01/04

Policy Largo# WC 66-59-52

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 1

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L475 UCLA SW Housing 3 & 4

Carrier: Cambridge Integrated Services Group Inc

Policy Period 05/01/03 - 12/01/03

Policy Largo# 80650285

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 -16D -036631 -143

Countersigned by _____

Authorized Representative

End. Serial No. 2

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L485 Metropolitan Loft Apartments

Carrier: St. Paul Mercury Ins Co

Policy Period 07/21/03 - 06/04/04

Policy Largo# WVV6379007-MLA

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 3

WC 00 03 02

Page 1 of 1

Ed. 04/1984

Copyright 1983 National Council on Compensation Insurance.

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L490 Victoria Gardens

Carrier: St. Paul Mercury Ins Co

Policy Period 08/25/03 - 07/02/04

Policy Largo# WVV6379007 - RCP

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 4

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L466 Los Padrinos Juvenile Hall

Carrier: Liberty Mutual

Policy Period 02/01/03 - 04/01/04

Policy Largo# WC5-625-004750-093

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 5

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L483 UCSF Mission Bay QB3

Carrier: Cambridge Integrated Services Group Inc

Policy Period 07/21/03 - 03/01/04

Policy Largo# 80627593

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 -16D -036631 -143

Countersigned by _____

Authorized Representative

End. Serial No. 6

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L491 OCPAC

Carrier: St. Paul Fire and Marine

Policy Period 09/11/03 - 08/07/04

Policy Largo# WVW6847005

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 143

Countersigned by _____

Authorized Representative

End. Serial No. 7

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

EXPERIENCE RATING MODIFICATION FACTOR ENDORSEMENT

The premium for the policy will be adjusted by an experience rating modification factor. The factor was not available when the policy was issued. The factor, if any, shown on the Information Page is an estimate. We will issue an endorsement to show the proper factor, if different from the factor shown, when it is calculated.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **8**

LC 00 04 03
(Ed. 4-84)

PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the policy is replaced by this provision:

PART FIVE PREMIUM

D. Premium is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date 10/01/2004

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 9

WC 00 04 19

Page 1

Ed. 1/2001

TERRORISM RISK INSURANCE ACT ENDORSEMENT

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

TERRORISM RISK INSURANCE ACT ENDORSEMENT**Limitation of Liability**

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.
2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page or the Schedule below.

Schedule**State****Rate per \$100 of Remuneration**

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 10

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT - CALIFORNIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in California. The policy applies to that work as though California were listed in item 3.A of the information Page.

General Section C. Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the Workers' or Workmen's Compensation Law and occupational disease law of each state or territory named in Item 3.A of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Section 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal Workers' or Workmen's Compensation Law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

The estimated premium for the Longshore and Harbor Workers' Compensation Act coverage provided by this endorsement is as shown in the Schedule below or Item 4 of the Information Page.

Schedule

Code No.	Classification	Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
-------------	----------------	-------------------------------------	--------------------------------------	--------------------------------

Total Estimated Annual Premium \$ _____

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Countersigned by _____
Authorized Representative

End. Serial No. 11

WC 04 01 01 A

Page 1 of 1

Ed. 4/1992

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**POLICY AMENDATORY ENDORSEMENT — CALIFORNIA**

It is agreed that, anything in the policy to the contrary notwithstanding, such insurance as is afforded by this policy by reason of the designation of California in Item 3 of the information page is subject to the following provisions:

1. **Minors Illegally Employed — Not Insured.** This policy does not cover liability for additional compensation imposed on you under Section 4557, Division IV, Labor Code of the State of California, by reason of injury to an employee under sixteen years of age and illegally employed at the time of injury.
2. **Punitive or Exemplary Damages — Uninsurable.** This policy does not cover punitive or exemplary damages where insurance or liability therefor is prohibited by law or contrary to public policy.
3. **Increase in Indemnity Payment — Reimbursement** You are obligated to reimburse us for the amount of increase in indemnity payments made pursuant to subdivision (d) of Section 4650 of the California Labor Code, if the late indemnity payment which gives rise to the increase in the amount of payment is due less than seven(7) days after we receive the completed claim form from you. You are obligated to reimburse us for any increase in indemnity payments not covered under this policy and will reimburse us for any increase in indemnity payment not covered under the policy when the aggregate total amount of the reimbursement payments paid in a policy year exceeds one hundred dollars(\$100).

If we notify you in writing, within 30 days of the payment, that you are obligated to reimburse us, we will bill you for the amount of increase in indemnity payment and collect it no later than the final audit. You will have 60 days, following notice of the obligation to reimburse, to appeal the decision of the insurer to the Department of Insurance.

4. **Application of Policy.** Part One, "Workers' Compensation Insurance", A, "How This Insurance Applies", is amended to read as follows:

This worker's compensation insurance applies to bodily injury by accident or disease, including death resulting therefrom. Bodily injury by accident must occur during the policy period. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. **Rate Changes.** The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.
6. **Long Term Policy.** If this policy is written for a period longer than one year, all the provisions of this policy shall apply separately to each consecutive twelve month period or, if the first or last consecutive period is less than twelve months, to such period of less than twelve months, in the same manner as if a separate policy had been written for each consecutive period.
7. **Statutory Provision.** Your employee has a first lien upon any amount which becomes owing to you by us on account of this policy, and in the case of your legal incapacity or inability to receive the money and pay it to the claimant, we will pay it directly to the claimant.

is further agreed that this policy, including all endorsements forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in this policy or such endorsements shall affect such contract or any rights, duties, or privileges arising therefrom.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **12**

**OFFICERS AND DIRECTORS COVERAGE/EXCLUSION ENDORSEMENT -
CALIFORNIA**

If the employer named in Item 1 of the Information Page is a private corporation whose officers and directors are the sole shareholders, this policy applies to all such officers and directors, as employees, except those excluded below or named as excluded in item 4 of the Information Page.

<u>Name and Title of Officers and Directors Excluded</u>	<u>Name and Title of Officers and Directors Excluded</u>	<u>Name and Title of Officers and Directors Excluded</u>
Harold Long - President		

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 143

Countersigned by _____

Authorized Representative
End. Serial No. 13

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

**VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT - CALIFORNIA**

If the employer named in item 1 of the Information Page has in his employment persons not entitled to compensation under Division 4 of the Labor Code of the State of California, this policy shall operate as an election on the part of the employer to come under the compensation provisions of Division 4 with respect to those persons described in the Schedule below.

This policy applies to those persons described in the Schedule below as employees.

Schedule

All Employees except those specifically excluded by endorsement.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **14**

WC 04 03 05
(Ed. 1-85)

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____ % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

<u>Person or Organization</u>	<u>Job Description</u>
Blanket Waiver as per Certificates on file with the Insurance Company	

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 143

Countersigned by _____

Authorized Representative

End. Serial No. 15

ENDORSEMENT AGREEMENT LIMITING AND RESTRICTING THIS INSURANCE

The insurance under this policy is limited as follows:

It is AGREED that, anything in this policy to the contrary notwithstanding, this policy DOES NOT INSURE:

**LIABILITY
NOT INSURED**

Any liability which the employer named in Item 1 of the Information Page may have arising out of operations conducted jointly by the employer with any other person, firm or corporation, except as specifically set forth in Item 1 of the Information Page or by endorsement attached to this policy.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 143

Countersigned by _____

Authorized Representative

End. Serial No. 16

WC 04 03 36

Page 1 of 1

FAILURE TO SECURE THE PAYMENT OF FULL COMPENSATION BENEFITS FOR ALL EMPLOYEES AS REQUIRED BY LABOR CODE SECTION 3700 IS A VIOLATION OF LAW AND MAY SUBJECT THE EMPLOYER TO THE IMPOSITION OF A WORK STOP ORDER, LARGE FINES AND OTHER SUBSTANTIAL PENALTIES (Labor Code Section 3710.1, et seq.).

EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT - CALIFORNIA

The insurance afforded by Part Two (Employers' Liability Insurance) by reason of designation of California in Item 3 of the information page is subject to the following provisions:

A. "How This Insurance Applies," is amended to read as follows:

A. How This Insurance Applies

This employers' liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury means a physical injury, including resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in California.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. The "Exclusions" section is modified as follows (all other exclusions in the "Exclusions" section remain as is):

1. Exclusion 1 is amended to read as follows:
 1. liability assumed under a contract.
2. Exclusion 2 is deleted.
3. Exclusion 7 is amended to read as follows:
 7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, termination of employment, or any personnel practices, policies, acts or omissions.

**EMPLOYERS' LIABILITY COVERAGE AMENDATORY
ENDORSEMENT - CALIFORNIA**

4. The following exclusions are added:

1. bodily injury to any member of the flying crew of any aircraft.
2. bodily injury to an employee when you are deprived of statutory or common law defenses or are subject to penalty because of your failure to secure your obligations under the Workers' Compensation law(s) applicable to you or otherwise fail to comply with that law.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Countersigned by _____
Authorized Representative

End. Serial No. 17

WC 04 03 60 A

Page 2 of 2

Ed. 11/1999

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WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

MANDATORY RATE CHANGE ENDORSEMENT - CALIFORNIA

The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **18**

PREMIUM ADJUSTMENT ENDORSEMENT - CALIFORNIA

We have the right to adjust the policy premium after issuance of the policy if the cost of providing the benefits required under the workers' compensation laws of California is affected by legislative or regulatory changes adopted after issuance of the policy. The amount of the adjustment will not exceed the change in the cost of providing the benefits as reflected in the pure premium rates approved by the Insurance Commissioner.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

Policy Eff. Date -10/01/2003

For attachment to Policy No. WA2 -16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 19

WC 04 04 07

Page 1 of 1

Ed. 10/29/2001

CALIFORNIA CANCELLATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

The cancellation condition in Part Six (Conditions) of the policy is replaced by these conditions:

Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Failure to report payroll;
 - c. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - d. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - e. Material misrepresentation made by you or your agent;
 - f. Failure to cooperate with us in the investigation of a claim;
 - g. Failure to comply with Federal or State safety orders;
 - h. Failure to comply with written recommendations of our designated loss control representatives;
 - i. The occurrence of a material change in the ownership of your business;
 - j. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - k. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - l. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties.

CALIFORNIA CANCELLATION ENDORSEMENT

3. If we cancel your policy for any of the reasons listed in (a) through (f), we will give you 10 days advance written notice, stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice. If we cancel your policy for any of the reasons listed in Items (g) through (l), we will give you 30 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. The policy period will end on the day and hour stated in the cancellation notice.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 143

Countersigned by _____

Authorized Representative

End. Serial No. 20

Workers Compensation and Employers Liability Policy

California Amendatory Endorsement

With respect to the insurance of risks and operations in California covered by this policy, the following language is deleted from the policy: "This policy is classified in Dividend Class XIII Workers Compensation and Employers Liability," and replaced by the following: "THIS POLICY IS ISSUED ON A NON-PARTICIPATING BASIS."

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-143**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **21**

DEDUCTIBLE ENDORSEMENT

This deductible endorsement applies only to the insurance provided by the policy because the following states are listed in item 3.A. of the Information Page:

CA

This deductible endorsement applies between you and us. It does not affect or alter the rights of others under the policy.

Coverage	Deductible Amount; Basis		
Bodily Injury By Accident	\$	200,000	each occurrence
Bodily Injury By Disease	\$	200,000	each claim
All Covered Bodily Injury	\$	750,000	policy aggregate

A. How This Deductible Applies

1. Each Occurrence; Each Claim

You are responsible, up to the deductible amount shown above, for the total of:

- a. all benefits required of you by the Workers Compensation law (including benefits payable under PART THREE - OTHER STATES INSURANCE or under any endorsement); plus
- b. all sums you legally must pay as damages; plus
- c. all "allocated loss adjustment expense" as part of any claim or suit we defend;

because of (1) bodily injury by accident to your employees arising out of any one "occurrence"; (2) bodily injury by disease to your employee arising out of any one "claim".

We are responsible for those amounts of benefits, damages and "allocated loss adjustment expense" that exceed the applicable deductible amount shown above.

We will advance part or all of the deductible amount to settle any claim, proceeding or suit. You will reimburse us promptly for any amount(s) we have so advanced.

2. Policy Period Aggregate

The amount shown above as "policy aggregate", is the most you must pay for the sum of all benefits, damages and "allocated loss adjustment expense" because of bodily injury by accident and bodily injury by disease for each policy period.

The "aggregate" will not be reduced if:

- (a) this endorsement is issued for a term of less than (1) year, or
- (b) the policy or this endorsement is cancelled by you or by us before the end of the policy period.

DEDUCTIBLE ENDORSEMENT

B. Effect of Deductible on Limits of Liability

1. With respect to the Employers Liability Insurance provided by this policy, the applicable "each employee", "each accident", "policy" or other similar limits of liability are reduced by the sum of all damages but not "allocated loss adjustment expense" within the applicable deductible amount shown above. Those limits are not in addition to the deductible amount. This provision applies whether the Employers Liability Insurance is provided by PART TWO or by an endorsement to this policy.
2. For purposes of this paragraph B., all damages because of bodily injury by accident or bodily injury by disease are deemed to have been paid or to be payable before "allocated loss adjustment expense" has been paid or is payable.

C. Definitions

1. "Allocated loss adjustment expense" means claim adjustment expense directly allocated by us to a particular claim. Such expense shall include, but shall not be limited to, attorneys' fees for claims in suit, court and other specific items of expense such as medical examination, expert medical or other testimony, laboratory and X-ray, autopsy, stenographic, witnesses and summonses, and copies of documents.

2. "Claim" means a written demand you receive for:

- a. benefits required of you by the Workers Compensation law; or
- b. damages covered by this policy;

including a filing by your employee for such benefits with an agency authorized by law, and a suit or other proceeding brought by your employee for such benefits or damages. "By your employee" includes such action taken by others legally entitled to do so on his or her behalf.

All claims for benefits or damages because of bodily injury by the same or related diseases to any one person will be considered as one claim when determining how the deductible amounts apply.

2. "Occurrence" means a single accident which results in bodily injury to one or more of your employees.

D. Conditions

1. Recovery From Others

We have your rights and the rights of persons entitled to the benefits of this insurance to recover all advances and payments, including those within the deductible amount from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover will first be applied to any payments made by us in excess of the deductible amount; only then will the remainder of that recovery, if any, be applied to reduce the deductible amount paid or reimbursed or reimbursable to you.

DEDUCTIBLE ENDORSEMENT

2. Cancellation

You must (a) promptly pay all amounts for which you are responsible under this endorsement, and (b) reimburse us for any such amounts that we advance upon receipt of a billing from us.

If you fail to do so, we may, at our option, cancel either this endorsement or this policy by mailing or delivering to you not less than ten days written notice stating the day and hour the cancellation is to take effect. Mailing that notice to you at your mailing address shown in item 1 of the Information Page will be sufficient to prove notice.

3. Your Duties

- a. The first Named Insured shown in the Information Page agrees and is authorized on behalf of all Named Insureds to reimburse us for all deductible amounts that we advance.
- b. Each Named Insured is jointly and severally liable for all deductible amounts under this policy.

4. Other Right and Duties (Ours and Yours)

All other terms of this policy, including those which govern (a) our right and duty to defend any claim, proceeding or suit against you, and (b) your duties if injury occurs, apply irrespective of application of this deductible endorsement.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-143

Countersigned by _____

Authorized Representative

End. Serial No. 22

DEDUCTIBLE ENDORSEMENT

AMENDATORY ENDORSEMENT - CALIFORNIA

This endorsement adds the following paragraph to Section D.2. Cancellation of DEDUCTIBLE ENDORSEMENT WC 99 06 27 R2 to this policy, solely with respect to California:

Nonpayment of deductible amounts by you will not relieve us from payment of compensation for covered bodily injury to an employee while the policy is in effect. We will not cancel this deductible endorsement retroactively for nonpayment of deductible amounts.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date 10/01/2004

For attachment to Policy No. **WA2-16D-036631-143**

Countersigned by _____

Authorized Representative

End. Serial No. 23

WC 99 06 88

Ed. 1-1995

Page 1 of 1

ISSUING OFFICE 600
INFORMATION PAGEWorkers Compensation and
Employers Liability PolicyCOUNT NO.
36631 SUB ACCT NO.
0000Liberty Mutual Insurance Group/Boston SUBJECT TO DEDUCTIBLE
Liberty Mutual Fire Insurance Company 16586

POLICY NO.	TD/CD	SALES OFFICE	CODE	SALES REPRESENTATIVE	CODE	N/R	1ST YEAR
WA2-16D-036631-144	32/9	PLEASANTON, CA	669	CASWELL	6893	2	2002

Item 1. Name of LARGO CONCRETE INC
Insured

FEIN 770226865

Address 891 W HAMILTON AVE
CAMPBELL CA 95008

Status Corporation

Other workplaces not shown above: See Item 4

Item 2. Policy Period: From	Mo.	Day	Year	to	Mo.	Day	Year	
	10	01	2004		10	01	2005	
		12:01 am						standard time at the address of the insured as stated herein.

Item 3. Coverage

- A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:

CA

- B. Employers Liability Insurance: Part Two of the policy applies to work in each state listed in item 3.A. The limits of our liability under Part Two are:

Bodily Injury by Accident	\$ 1,000,000	each accident
Bodily Injury by Disease	\$ 1,000,000	policy limit
Bodily Injury by Disease	\$ 1,000,000	each employee

- C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

All States except those listed in Item 3.A and the States of:
AK ND OH WA WV WY

- D. This policy includes these endorsements and schedules: SEE EXTENSION OF INFORMATION PAGE
-
- AND DEDUCTIBLE ENDORSEMENTS ATTACHED

Item 4. Premium — The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Classifications	Code No.	Premium Basis	Rates	LINE 140
		Estimated Total Annual Remuneration	Per \$100 of Remuneration	Estimated Annual Premiums
SEE EXTENSION OF INFORMATION PAGE				

Minimum Premium \$ 2043 (CA)

Total Estimated Annual Premium \$ 470,980

Interim adjustment of premium shall be made: Annual

Deposit Premium \$ 470,980

This policy, including all endorsements issued therewith, is hereby countersigned by

Authorized Representative Date 10/17/2004

Loc. Code	Term. Oper.	Audit Basis	Periodic Payment	Rating Basis	Pol. H.G.	Home State	Dividend	Renewal Of
	TJP 10/13/2004	1		DED		CA		WA2-16D-036631-143

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Policy Notices and Applications

<u>Form Number</u>	<u>Form Name</u>
PA 230 R2	ARA Report Form
GPO 4187 R14	CA Workers Compensation Administrative/User Funding Surcharge
GPO 4521 R13	California Notice To Policyholders
GPO 4570 R5	California Workers' Compensation Notice To Policyholders
GPO 4614 R2	California Notice to Policyholder
GPO 4722	Policyholder Notice
GPO 4832	California Loss Prevention Services Important Information To Policyholders
GPO 4849	California Uninsured Employers Benefits Trust Fund Assessment and Subsequent Injuries Benefits Trust Fund Assessment
GPO 4756 R1	LM WC and Group Benefits Privacy Practices Disclosure Notice

Policy Schedules

<u>Form Number</u>	<u>Form Name</u>
GPO 4032 R2	WC Company 2 Jacket (GPO 4032 R2)
GPO 4772	LMFIC - Notice of Membership in Liberty Mutual Holding Company Inc. and Notice of Annual Meeting
WC 00 00 01 A	Information Page (1 YR)
GPO 4741	Miscellaneous Form and Endorsement Schedule
GPO 2923	Item 4. Premium - Extension of Information Page
GPO 2926	U.S.L. and H.W. Compensation Act Schedule
GPO 4162	Named Insured Link Schedule

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 1	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 2	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 3	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 4	

Policy No. WA2-16D-036631-144

Page 1

GPO 4741
Ed.01/01/2001

WC 00 00 01 A

Item 3. Coverage D - Extension of Information Page

Miscellaneous Form and Endorsement Schedule

Continued:

Policy Endorsements

<u>Form Number</u>	<u>Form Name</u>	<u>End Serial No.</u>	<u>Comments</u>
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 5	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 6	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 7	
WC 00 03 02	Designated Workplaces Exclusion Endorsement	End. 8	
WC 00 04 19	Premium Due Date Endorsement	End. 9	
WC 00 04 20	Terrorism Risk Insurance Act Endorsement	End. 10	
WC 04 01 01 A	Longshore and Harbor Workers' Compensation Act Coverage - California	End. 11	
WC 04 03 01 A	Policy Amendatory - California	End. 12	
WC 04 03 03	Officers and Directors Coverage/Exclusion - California	End. 13	
WC 04 03 05	Voluntary Compensation and Employers Liability Coverage - California	End. 14	
WC 04 03 06	Waiver of Our Right to Recover From Others - California	End. 15	
WC 04 03 36	Endorsement Agreement Limiting and Restricting This Insurance	End. 16	
WC 04 03 60 A	Employers Liability Coverage Amendatory - California	End. 17	
WC 04 04 02	Mandatory Rate Change - California	End. 18	
WC 04 04 07	Premium Adjustment Endorsement - California	End. 19	
WC 04 06 01 A	California Cancelation Endorsement	End. 20	
WC 99 04 34	California Amendatory Endorsement	End. 21	
WC 99 06 27 R2	Deductible Endorsement	End. 22	
WC 99 06 88	Deductible Endorsement - Amendatory - California	End. 23	

Policy No. WA2-16D-036631-144

Page 2

GPO 4741
Ed.01/01/2001

WC 00 00 01 A

Item 4. Premium - Extension of Information Page

Classification of Operations		Premium Basis	Rate	
Entries in this item, except as specifically provided elsewhere in this policy, do not modify any of the other provisions of this policy.	Class Code	Payroll - Unless otherwise indicated a) Flat Charge b) Per Capita c) Passenger Seat d) Premium e) Other	Payroll-Per \$100	Estimated Premium
California				
Campbell: 891 W Hamilton Ave 95008				
Concrete Construction NOC	5213	10,900,000	18.55	2,021,950
Salespersons - Outside	8742	2,700,000	1.67	45,090
Clerical Office Employees - NOC	8810	750,000	1.46	10,950
Construction or Erection Permanent Yards	8227	205,000	16.22	33,251
Subject to Voluntary Compensation Endorsement				
Salespersons - Outside	8742	If Any	1.67	0
Manual Premium				\$2,111,241
Waiver of Subrogation Premium	0930			3,500
Large Deductible Credit	9664		.718	(1,518,384)
Experience Modification(.78 FNL)	9898 d)	596,357		(131,199)
Modified Premium				\$465,158
Standard Premium				\$465,158
Terrorism Risk Insurance Act of 2002 - Certified Losses	9740	14,555,000	.04	5,822
Total Premium for California				\$470,980
California Insurance Guarantee Association	0936 d)	470,980	.02	9,420
California User Fund/WC Administrative Revolving Fund	0935 d)	1,649,498	.002996	4,942
California Uninsured Employers Benefit Trust Fund Assessment	0937 d)	1,649,498	.001115	1,839
California Subsequent Injuries Benefits Trust Fund Assessment	0938 d)	1,649,498	.000192	317
California Fraud Investigation/Prosecution Surcharge	9703 d)	1,649,498	.000685	1,130

Policy No. WA2-16D-036631-144

Page No. 1

Item 4. Premium - Extension of Information Page

**UNITED STATES LONGSHORE AND HARBOR
WORKERS COMPENSATION ACT - INCIDENTAL**

<u>States</u>	Percent of increase - <u>non-Federal rates</u>	<u>States</u>	Percent of increase - <u>non-Federal rates</u>
California	112.3%		

NAMED INSURED LINK SCHEDULE

Name Link Code	Insured Name/Location	City	State	Zip
001	Largo Concrete, Inc.			
001	FEIN: 77-0226865			
001	891 W Hamilton Ave	Campbell	CA	95008

Policy No. WA2-16D-036631-144

GPO4162
Page 1
Ed. 8/16/2001

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L463 & L489 San Jose Civic Center

Carrier: AIG

Policy Period 02/01/03 - 04/01/04

Policy Largo# WC 66-59-52

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____

Authorized Representative

End. Serial No. 1

WC 00 03 02

Page 1 of 1

Ed. 04/1984

Copyright 1983 National Council on Compensation Insurance.

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L475 UCLA SW Housing 3 & 4

Carrier: Cambridge Integrated Services Group Inc

Policy Period 05/01/03 - 12/01/03

Policy Largo# 80650285

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____

Authorized Representative

End. Serial No. 2

WC 00 03 02

Page 1 of 1

Ed. 04/1984

Copyright 1983 National Council on Compensation Insurance.

DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L485 Metropolitan Loft Apartments

Carrier: St. Paul Mercury Ins Co

Policy Period 07/21/03 - 06/04/04

Policy Largo# WW6379007-MLA

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 3

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L490 Victoria Gardens

Carrier: St. Paul Mercury Ins Co
Policy Period 08/25/03 - 07/02/04
Policy Largo# WVV6379007 - RCP

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 4

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L466 Los Padrinos Juvenile Hall

Carrier: Liberty Mutual

Policy Period 02/01/03 - 04/01/04

Policy Largo# WC5-625-004750-093

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 5

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L483 UCSF Mission Bay QB3

Carrier: Cambridge Integrated Services Group Inc

Policy Period 07/21/03 - 03/01/04

Policy Largo# 80627593

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 -16D -036631 -144

Countersigned by _____

Authorized Representative

End. Serial No. 6

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from

Job: L491 OCPAC

Carrier: St. Paul Fire and Marine

Policy Period 09/11/03 - 08/07/04

Policy Largo# WVW6847005

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 7

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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DESIGNATED WORKPLACES EXCLUSION ENDORSEMENT

This policy does not cover work conducted at or from
Job Description: L488 Fullerton Library
Effective Date of Policy: 11/01/2003 to 02/01/2004
Policy Number: PW0203308-LAR
Name of Carrier: Zurich American Ins Group
PO Box 92566
Los Angeles CA 90009-2566

This endorsement is executed by the Liberty Mutual Fire Insurance Company 16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____
Authorized Representative

End. Serial No. 8

WC 00 03 02

Page 1 of 1

Ed. 04/1984

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PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the policy is replaced by this provision:

PART FIVE PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date 10/01/2005

Policy Eff. Date -10/01/2004

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 9

WC 00 04 19

Page 1

Ed. 1/2001

TERRORISM RISK INSURANCE ACT ENDORSEMENT

This endorsement addresses requirements of the Terrorism Risk Insurance Act of 2002.

Definitions

The definitions provided in this endorsement are based on the definitions in the Act and are intended to have the same meaning. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments.

"Act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured terrorism or war loss" means any loss resulting from an act of terrorism (including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at United States missions or to certain air carriers or vessels.

"Insurer deductible" means:

- a. For the period beginning on November 26, 2002 and ending on December 31, 2002, an amount equal to 1% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding November 26, 2002.
- b. For the period beginning on January 1, 2003 and ending on December 31, 2003, an amount equal to 7% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2003.
- c. For the period beginning on January 1, 2004 and ending on December 31, 2004, an amount equal to 10% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2004.
- d. For the period beginning on January 1, 2005 and ending on December 31, 2005, an amount equal to 15% of our direct earned premiums, as provided in the Act, over the calendar year immediately preceding January 1, 2005.

TERRORISM RISK INSURANCE ACT ENDORSEMENT**Limitation of Liability**

The Act may limit our liability to you under this policy. If annual aggregate insured terrorism or war losses of all insurers exceed \$100,000,000,000 during the applicable period provided in the Act, and if we have met our insurer deductible, the amount we will pay for insured terrorism or war losses under this policy will be limited by the Act, as determined by the Secretary of the Treasury.

Policyholder Disclosure Notice

1. Insured terrorism or war losses would be partially reimbursed by the United States Government under a formula established by the Act. Under this formula, the United States Government would pay 90% of our insured terrorism or war losses exceeding our insurer deductible.
2. The additional premium charged for the coverage this policy provides for insured terrorism or war losses is shown in Item 4 of the Information Page or the Schedule below.

Schedule**State****Rate per \$100 of Remuneration**

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____
Authorized Representative

End. Serial No. 10

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE ENDORSEMENT - CALIFORNIA

This endorsement applies only to work subject to the Longshore and Harbor Workers' Compensation Act in California. The policy applies to that work as though California were listed in item 3.A of the information Page.

General Section C. Workers' Compensation Law is replaced by the following:

C. Workers' Compensation Law

Workers' Compensation Law means the Workers' or Workmen's Compensation Law and occupational disease law of each state or territory named in Item 3.A of the Information Page and the Longshore and Harbor Workers' Compensation Act (33 USC Section 901-950). It includes any amendments to those laws that are in effect during the policy period. It does not include any other federal Workers' or Workmen's Compensation Law, other federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

Part Two (Employers Liability Insurance), C. Exclusions., exclusion 8, does not apply to work subject to the Longshore and Harbor Workers' Compensation Act.

This endorsement does not apply to work subject to the Defense Base Act, the Outer Continental Shelf Lands Act, or the Nonappropriated Fund Instrumentalities Act.

The estimated premium for the Longshore and Harbor Workers' Compensation Act coverage provided by this endorsement is as shown in the Schedule below or Item 4 of the Information Page.

Schedule

Code No.	Classification	Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
-------------	----------------	-------------------------------------	--------------------------------------	--------------------------------

Total Estimated Annual Premium \$ _____

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Countersigned by _____
Authorized Representative

End. Serial No. 11

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**POLICY AMENDATORY ENDORSEMENT — CALIFORNIA**

It is agreed that, anything in the policy to the contrary notwithstanding, such insurance as is afforded by this policy by reason of the designation of California in Item 3 of the information page is subject to the following provisions:

1. **Minors Illegally Employed — Not Insured.** This policy does not cover liability for additional compensation imposed on you under Section 4557, Division IV, Labor Code of the State of California, by reason of injury to an employee under sixteen years of age and illegally employed at the time of injury.
2. **Punitive or Exemplary Damages — Uninsurable.** This policy does not cover punitive or exemplary damages where insurance or liability therefor is prohibited by law or contrary to public policy.
3. **Increase in Indemnity Payment — Reimbursement** You are obligated to reimburse us for the amount of increase in indemnity payments made pursuant to subdivision (d) of Section 4650 of the California Labor Code, if the late indemnity payment which gives rise to the increase in the amount of payment is due less than seven(7) days after we receive the completed claim form from you. You are obligated to reimburse us for any increase in indemnity payments not covered under this policy and will reimburse us for any increase in indemnity payment not covered under the policy when the aggregate total amount of the reimbursement payments paid in a policy year exceeds one hundred dollars(\$100).

If we notify you in writing, within 30 days of the payment, that you are obligated to reimburse us, we will bill you for the amount of increase in indemnity payment and collect it no later than the final audit. You will have 60 days, following notice of the obligation to reimburse, to appeal the decision of the insurer to the Department of Insurance.

4. **Application of Policy.** Part One, "Workers' Compensation Insurance", A, "How This Insurance Applies", is amended to read as follows:

This worker's compensation insurance applies to bodily injury by accident or disease, including death resulting therefrom. Bodily injury by accident must occur during the policy period. Bodily injury by disease must be caused or aggravated by the conditions of your employment. Your employee's exposure to those conditions causing or aggravating such bodily injury by disease must occur during the policy period.

5. **Rate Changes.** The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.
6. **Long Term Policy.** If this policy is written for a period longer than one year, all the provisions of this policy shall apply separately to each consecutive twelve month period or, if the first or last consecutive period is less than twelve months, to such period of less than twelve months, in the same manner as if a separate policy had been written for each consecutive period.
7. **Statutory Provision.** Your employee has a first lien upon any amount which becomes owing to you by us on account of this policy, and in the case of your legal incapacity or inability to receive the money and pay it to the claimant, we will pay it directly to the claimant.

It is further agreed that this policy, including all endorsements forming a part thereof, constitutes the entire contract of insurance. No condition, provision, agreement, or understanding not set forth in this policy or such endorsements shall affect such contract or any rights, duties, or privileges arising therefrom.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **12**

**OFFICERS AND DIRECTORS COVERAGE/EXCLUSION ENDORSEMENT -
CALIFORNIA**

If the employer named in Item 1 of the Information Page is a private corporation whose officers and directors are the sole shareholders, this policy applies to all such officers and directors, as employees, except those excluded below or named as excluded in item 4 of the Information Page.

<u>Name and Title of Officers and Directors Excluded</u>	<u>Name and Title of Officers and Directors Excluded</u>	<u>Name and Title of Officers and Directors Excluded</u>
Harold Long - President		

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____

Authorized Representative
End. Serial No. 13

WC 04 03 03

Page 1 of 1

Ed. 01/01/1985

WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY
VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE
ENDORSEMENT - CALIFORNIA

If the employer named in item 1 of the Information Page has in his employment persons not entitled to compensation under Division 4 of the Labor Code of the State of California, this policy shall operate as an election on the part of the employer to come under the compensation provisions of Division 4 with respect to those persons described in the Schedule below.

This policy applies to those persons described in the Schedule below as employees.

Schedule

All Employees except those specifically excluded by endorsement.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Audit Basis

Issued To

Countersigned by

Authorized Representative

Issued

Sales Office and No.

End. Serial No. **14**

WC 04 03 05
(Ed. 1-85)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT -
CALIFORNIA**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 0 % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

<u>Person or Organization</u>	<u>Job Description</u>
Blanket Waiver as per Certificates on file with the Insurance Company	

\$3,500 Flat Charge

This endorsement is executed by the Liberty Mutual Fire Insurance Company 16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____
Authorized Representative

End. Serial No. 15

ENDORSEMENT AGREEMENT LIMITING AND RESTRICTING THIS INSURANCE

The insurance under this policy is limited as follows:

It is AGREED that, anything in this policy to the contrary notwithstanding, this policy DOES NOT INSURE:

LIABILITY NOT INSURED	Any liability which the employer named in Item 1 of the Information Page may have arising out of operations conducted jointly by the employer with any other person, firm or corporation, except as specifically set forth in Item 1 of the Information Page or by endorsement attached to this policy.
----------------------------------	---

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 - 16D - 036631 - 144

Countersigned by _____

Authorized Representative

End. Serial No. 16

WC 04 03 36
Page 1 of 1

FAILURE TO SECURE THE PAYMENT OF FULL COMPENSATION BENEFITS FOR ALL EMPLOYEES AS REQUIRED BY LABOR CODE SECTION 3700 IS A VIOLATION OF LAW AND MAY SUBJECT THE EMPLOYER TO THE IMPOSITION OF A WORK STOP ORDER, LARGE FINES AND OTHER SUBSTANTIAL PENALTIES (Labor Code Section 3710.1, et seq.).

EMPLOYERS' LIABILITY COVERAGE AMENDATORY ENDORSEMENT - CALIFORNIA

The insurance afforded by Part Two (Employers' Liability Insurance) by reason of designation of California in Item 3 of the information page is subject to the following provisions:

A. "How This Insurance Applies," is amended to read as follows:

A. How This Insurance Applies

This employers' liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury means a physical injury, including resulting death.

1. The bodily injury must arise out of and in the course of the injured employee's employment by you.
2. The employment must be necessary or incidental to your work in California.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

C. The "Exclusions" section is modified as follows (all other exclusions in the "Exclusions" section remain as is):

1. Exclusion 1 is amended to read as follows:
 1. liability assumed under a contract.
2. Exclusion 2 is deleted.
3. Exclusion 7 is amended to read as follows:
 7. damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, termination of employment, or any personnel practices, policies, acts or omissions.

**EMPLOYERS' LIABILITY COVERAGE AMENDATORY
ENDORSEMENT - CALIFORNIA**

4. The following exclusions are added:

1. bodily injury to any member of the flying crew of any aircraft.
2. bodily injury to an employee when you are deprived of statutory or common law defenses or are subject to penalty because of your failure to secure your obligations under the Workers' Compensation law(s) applicable to you or otherwise fail to comply with that law.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Countersigned by _____
Authorized Representative

End. Serial No. 17

WC 04 03 60 A

Page 2 of 2

Ed. 11/1999

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MANDATORY RATE CHANGE ENDORSEMENT - CALIFORNIA

The premium and rates with respect to the insurance provided by this policy by reason of the designation of California in Item 3 of the Information Page are subject to change if ordered by the Insurance Commissioner of the State of California pursuant to Section 11737 of the California Insurance Code.

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **18**

PREMIUM ADJUSTMENT ENDORSEMENT - CALIFORNIA

We have the right to adjust the policy premium after issuance of the policy if the cost of providing the benefits required under the workers' compensation laws of California is affected by legislative or regulatory changes adopted after issuance of the policy. The amount of the adjustment will not exceed the change in the cost of providing the benefits as reflected in the pure premium rates approved by the Insurance Commissioner.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

Policy Eff. Date -10/01/2004

For attachment to Policy No. WA2-16D-036631-144

Countersigned by

Authorized Representative

End. Serial No. 19

WC 04 04 07

Page 1 of 1

Ed. 10/29/2001

CALIFORNIA CANCELLATION ENDORSEMENT

This endorsement applies only to the insurance provided by the policy because California is shown in Item 3.A. of the Information Page.

The cancellation condition in Part Six (Conditions) of the policy is replaced by these conditions:

Cancellation

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy for one or more of the following reasons:
 - a. Non-payment of premium;
 - b. Failure to report payroll;
 - c. Failure to permit us to audit payroll as required by the terms of this policy or of a previous policy issued by us;
 - d. Failure to pay any additional premium resulting from an audit of payroll required by the terms of this policy or any previous policy issued by us;
 - e. Material misrepresentation made by you or your agent;
 - f. Failure to cooperate with us in the investigation of a claim;
 - g. Failure to comply with Federal or State safety orders;
 - h. Failure to comply with written recommendations of our designated loss control representatives;
 - i. The occurrence of a material change in the ownership of your business;
 - j. The occurrence of any change in your business or operations that materially increases the hazard for frequency or severity of loss;
 - k. The occurrence of any change in your business or operation that requires additional or different classification for premium calculation;
 - l. The occurrence of any change in your business or operation which contemplates an activity excluded by our reinsurance treaties.

CALIFORNIA CANCELLATION ENDORSEMENT

3. If we cancel your policy for any of the reasons listed in (a) through (f), we will give you 10 days advance written notice, stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice. If we cancel your policy for any of the reasons listed in Items (g) through (l), we will give you 30 days advance written notice; however, we agree that in the event of cancellation and reissuance of a policy effective upon a material change in ownership or operations, notice will not be provided.
4. The policy period will end on the day and hour stated in the cancellation notice.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2-16D-036631-144

Countersigned by _____

Authorized Representative

End. Serial No. 20

Workers Compensation and Employers Liability Policy

California Amendatory Endorsement

With respect to the insurance of risks and operations in California covered by this policy, the following language is deleted from the policy: "This policy is classified in Dividend Class XIII Workers Compensation and Employers Liability," and replaced by the following: "THIS POLICY IS ISSUED ON A NON-PARTICIPATING BASIS."

This endorsement is executed by the **Liberty Mutual Fire Insurance Company**

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. **WA2-16D-036631-144**

Audit Basis

Issued To

Countersigned by
Authorized Representative

Issued

Sales Office and No.

End. Serial No. **21**

DEDUCTIBLE ENDORSEMENT

This deductible endorsement applies only to the insurance provided by the policy because the following states are listed in item 3.A. of the Information Page:

CA

This deductible endorsement applies between you and us. It does not affect or alter the rights of others under the policy.

Coverage	Deductible Amount; Basis
Bodily Injury By Accident	\$ 200,000 each occurrence
Bodily Injury By Disease	\$ 200,000 each claim
All Covered Bodily Injury	\$ 750,000 policy aggregate

A. How This Deductible Applies

1. Each Occurrence; Each Claim

You are responsible, up to the deductible amount shown above, for the total of:

- a. all benefits required of you by the Workers Compensation law (including benefits payable under PART THREE - OTHER STATES INSURANCE or under any endorsement); plus
- b. all sums you legally must pay as damages; plus
- c. all "allocated loss adjustment expense" as part of any claim or suit we defend;

because of (1) bodily injury by accident to your employees arising out of any one "occurrence"; (2) bodily injury by disease to your employee arising out of any one "claim".

We are responsible for those amounts of benefits, damages and "allocated loss adjustment expense" that exceed the applicable deductible amount shown above.

We will advance part or all of the deductible amount to settle any claim, proceeding or suit. You will reimburse us promptly for any amount(s) we have so advanced.

2. Policy Period Aggregate

The amount shown above as "policy aggregate", is the most you must pay for the sum of all benefits, damages and "allocated loss adjustment expense" because of bodily injury by accident and bodily injury by disease for each policy period.

The "aggregate" will not be reduced if:

- (a) this endorsement is issued for a term of less than (1) year, or
- (b) the policy or this endorsement is cancelled by you or by us before the end of the policy period.

DEDUCTIBLE ENDORSEMENT

B. Effect of Deductible on Limits of Liability

1. With respect to the Employers Liability Insurance provided by this policy, the applicable "each employee", "each accident", "policy" or other similar limits of liability are reduced by the sum of all damages but not "allocated loss adjustment expense" within the applicable deductible amount shown above. Those limits are not in addition to the deductible amount. This provision applies whether the Employers Liability Insurance is provided by PART TWO or by an endorsement to this policy.
2. For purposes of this paragraph B., all damages because of bodily injury by accident or bodily injury by disease are deemed to have been paid or to be payable before "allocated loss adjustment expense" has been paid or is payable.

C. Definitions

1. "Allocated loss adjustment expense" means claim adjustment expense directly allocated by us to a particular claim. Such expense shall include, but shall not be limited to, attorneys' fees for claims in suit, court and other specific items of expense such as medical examination, expert medical or other testimony, laboratory and X-ray, autopsy, stenographic, witnesses and summonses, and copies of documents.
2. "Claim" means a written demand you receive for:
 - a. benefits required of you by the Workers Compensation law; or
 - b. damages covered by this policy;including a filing by your employee for such benefits with an agency authorized by law, and a suit or other proceeding brought by your employee for such benefits or damages. "By your employee" includes such action taken by others legally entitled to do so on his or her behalf.

All claims for benefits or damages because of bodily injury by the same or related diseases to any one person will be considered as one claim when determining how the deductible amounts apply.
2. "Occurrence" means a single accident which results in bodily injury to one or more of your employees.

D. Conditions

1. Recovery From Others

We have your rights and the rights of persons entitled to the benefits of this insurance to recover all advances and payments, including those within the deductible amount from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

If we recover any advance or payment made under this policy from anyone liable for the injury, the amount we recover will first be applied to any payments made by us in excess of the deductible amount; only then will the remainder of that recovery, if any, be applied to reduce the deductible amount paid or reimbursed or reimbursable to you.

DEDUCTIBLE ENDORSEMENT

2. Cancellation

You must (a) promptly pay all amounts for which you are responsible under this endorsement, and (b) reimburse us for any such amounts that we advance upon receipt of a billing from us.

If you fail to do so, we may, at our option, cancel either this endorsement or this policy by mailing or delivering to you not less than ten days written notice stating the day and hour the cancellation is to take effect. Mailing that notice to you at your mailing address shown in item 1 of the Information Page will be sufficient to prove notice.

3. Your Duties

- a. The first Named Insured shown in the Information Page agrees and is authorized on behalf of all Named Insureds to reimburse us for all deductible amounts that we advance.
- b. Each Named Insured is jointly and severally liable for all deductible amounts under this policy.

4. Other Right and Duties (Ours and Yours)

All other terms of this policy, including those which govern (a) our right and duty to defend any claim, proceeding or suit against you, and (b) your duties if injury occurs, apply irrespective of application of this deductible endorsement.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date

For attachment to Policy No. WA2 -16D -036631 -144

Countersigned by _____
Authorized Representative

End. Serial No. 22

DEDUCTIBLE ENDORSEMENT

AMENDATORY ENDORSEMENT - CALIFORNIA

This endorsement adds the following paragraph to Section D.2. Cancellation of DEDUCTIBLE ENDORSEMENT WC 99 06 27 R2 to this policy, solely with respect to California:

Nonpayment of deductible amounts by you will not relieve us from payment of compensation for covered bodily injury to an employee while the policy is in effect. We will not cancel this deductible endorsement retroactively for nonpayment of deductible amounts.

This endorsement is executed by the Liberty Mutual Fire Insurance Company

16586

Premium \$

Effective Date

Expiration Date 10/01/2005

Policy Eff. Date -10/01/2004

For attachment to Policy No. **WA2-16D-036631-144**

Countersigned by _____

Authorized Representative

End. Serial No. 23

WC 99 06 88

Ed. 1-1995

Page 1 of 1

WELCOME TO THE U.S. DISTRICT COURT, SAN FRANCISCO
OFFICE HOURS: 9:00 A.M. TO 4:00 P.M.
415.522.2000
www.cand.uscourts.gov

In Addition to the Local Rules, the Following Guidelines Have Been Provided to Ensure That the Filing Process Is Accomplished with Ease and Accuracy. For Additional Information or Assistance, Please Call the above Number During Office Hours.

1. Documents are to be filed in the Clerk's Office at the location of the chambers of the judge to whom the action has been assigned. We do not accept filings for cases assigned to judges or magistrate judges in the Oakland or San Jose division, per Civil L.R. 3-2(b).
2. This office will retain the original plus one copy of most documents submitted. We will conform as many copies as you bring for your use. Related cases require an extra copy for each related action designated.
3. The copy retained goes directly to the assigned Judge. Courtesy copies, or instructions for couriers to deliver a copy directly to chambers are inappropriate, unless you have been instructed to do so by court order.
4. In order to facilitate the file stamping process, each original document should be submitted on top of its copies. In other words, group like documents together--as opposed to a set of originals and separate sets of copies.
5. The case number must indicate whether it is a civil or criminal matter by the inclusion of **C** or **CR** at the beginning of the number. Miscellaneous and foreign judgment matters should also be indicated with initials **MISC** or **FJ** at the end of the case number.
6. The case number must include the initials of the judge and/or magistrate judge followed by the letters designating the case Arbitration (**ARB**), Early Neutral Evaluation (**ENE**) or Mediation (**MED**)--if assigned to one of those programs.
7. The document caption should include the appropriate judge or magistrate judge involved in a particular matter or before whom an appearance is being made. This is especially important when submitting Settlement Conference Statements.
8. Documents are to be stapled or acco-fastened at the top. Backings, bindings and covers are not required. Two holes punched at the top of the original document will facilitate processing.
9. Appropriately sized, stamped, self-addressed return envelopes are to be included with proposed orders or when filing documents by mail.

10. Proofs of service should be attached to the back of documents. If submitted separately, you must attach a pleading page to the front of the document showing case number and case caption.
11. There are no filing fees once a case has been opened.
12. New cases must be accompanied by a completed and signed Civil Cover Sheet, the filing fee or fee waiver request form and an original plus **two** copies of the complaint and any other documents. For Intellectual Property cases, please provide an original plus **three** copies of the complaint. Please present new cases for filing before 3:30 p.m., as they take a considerable amount of time to process.
13. Copies of forms may be obtained at no charge. They may be picked up in person from the Clerk's Office forms cabinet or with a written request accompanied by an appropriate sized, stamped, self-addressed envelope for return. In addition, copies of the Local Rules may be obtained, free of charge, in the Clerk's Office or by sending a written request, along with a self-addressed, 10" x 14" return envelope, stamped with \$ **3.95** postage to: Clerk, U.S. District Court, 450 Golden Gate Avenue, 16th Floor, San Francisco, CA 94102.
14. Two computer terminals which allow public access to case dockets and one terminal with information regarding files at the Federal Records Center (FRC) are located in the reception area of the Clerk's Office. Written instructions are posted by the terminals. Outside of the Clerk's Office, electronic access to dockets is available through PACER. To obtain information or to register call 1-800-676-6851.
15. A file viewing room is located adjacent to the reception area. Files may be viewed in this area after signing the log sheet and presenting identification. Files are to be returned by **1:00 pm** Under no circumstances are files to be removed from the viewing room.
16. The Clerk's Office can only accept payment by **exact change or check** made payable to Clerk, U.S. District Court. No change can be made for fees or the public copy machine.
17. Two pay copy machines are located in the file viewing room for public use, at fifteen cents (\$.15) per page. Copy cards may be purchases at the snack bar on the first floor. Orders for copywork may be placed through Eddie's Document Retrieval by phoning 415-317-5556. Arrangements may be made to bring in a personal copier by calling the Clerk's Office in advance.
18. We have a drop box for filing when the Clerk's Office is closed. Please see attached for availability and instructions.

SAN FRANCISCO

Article III Judges	Judges Initials	Magistrate Judges	Judges Initials
Alsup, William H.	WHA	Chen, Edward M.	EMC
Breyer, Charles R.	CRB	James, Maria-Elena	MEJ
Chesney, Maxine M.	MMC	Laporte, Elizabeth D.	EDL
Conti, Samuel	SC	Larson, James	JL
Hamilton, Phyllis J.	PJH	Spero, Joseph C.	JCS
Henderson, Thelton E.	TEH	Zimmerman, Bernard	BZ
Illston, Susan	SI		
Jenkins, Martin J.	MJJ		
Patel, Marilyn Hall	MHP		
Schwarzer, William W	WWS		
Walker, Vaughn R	VRW		
White, Jeffrey S.	JSW		

SAN JOSE

Article III Judges	Judges Initials	Magistrate Judges	Judges Initials
Fogel, Jeremy	JF	Lloyd, Howard R.	HRL
Ware, James	JW	Seeborg, Richard	RS
Whyte, Ronald M.	RMW	Trumbull, Patricia V.	PVT

OAKLAND

Article III Judges	Judges Initials	Magistrate Judges	Judges Initials
Armstrong, Sandra B.	SBA	Brazil, Wayne D.	WDB
Jensen, D. Lowell	DLJ		
Wilken, Claudia	CW		

U.S. District Court Northern California

ECF Registration Information Handout

The case you are participating in has been designated for this court's Electronic Case Filing (ECF) Program, pursuant to Civil Local Rule 5-4 and General Order 45. This means that you **must** (check off the boxes ☒ when done):

- ☐ **1) Serve** this ECF Registration Information Handout on **all** parties in the case along with the complaint, or for removals, the removal notice. DO NOT serve the efiler application form, just this handout.

Each attorney representing a party must also:

- ☐ **2) Register** to become an efiler by filling out the efiler application form. Follow ALL the instructions on the form carefully. If you are already registered in this district, do not register again, your registration is valid for life on all ECF cases in this district.
- ☐ **3) Email** (do not efile) the complaint and, for removals, the removal notice and all attachments, in PDF format within ten business days, following the instructions below. You do not need to wait for your registration to be completed to email the court.
- ☐ **4) Access** dockets and documents using **PACER** (Public Access to Court Electronic Records). If your firm already has a PACER account, please use that - it is not necessary to have an individual account. PACER registration is free. If you need to establish or check on an account, visit: <http://pacer.psc.uscourts.gov> or call (800) 676-6856.

BY SIGNING AND SUBMITTING TO THE COURT A REQUEST FOR AN ECF USER ID AND PASSWORD, YOU CONSENT TO ENTRY OF YOUR E-MAIL ADDRESS INTO THE COURT'S ELECTRONIC SERVICE REGISTRY FOR ELECTRONIC SERVICE ON YOU OF ALL E-FILED PAPERS, PURSUANT TO RULES 77 and 5(b)(2)(D) (eff. 12.1.01) OF THE FEDERAL RULES OF CIVIL PROCEDURE.

All subsequent papers submitted by attorneys in this case shall be filed electronically. Unrepresented litigants must file and serve in paper form, unless prior leave to file electronically is obtained from the assigned judge.

ECF registration forms, interactive tutorials and complete instructions for efilng may be found on the ECF website: <http://ecf.cand.uscourts.gov>

Submitting Initiating Documents

PDF versions of all the initiating documents originally submitted to the court (Complaint or Notice of Removal, exhibits, etc.) must be **emailed (not efiled)** to the **PDF email box for the presiding judge** (not the referring judge, if there is one) **within 10 (ten) business days** of the opening of your case. For a complete list of the email addresses, please go to: <http://ecf.cand.uscourts.gov> and click on **[Judges]**.

You must include the case number and judge's initials in the subject line of all relevant emails to the court. You do not need to wait for your registration to email these documents.

These documents must be emailed instead of e-filed to prevent duplicate entries in the ECF system. All other documents must be e-filed from then on. You do not need to efile or email the Civil Cover Sheet, Summons, or any documents issued by the court at case opening; note that you do need to efile the Summons Returned.

Converting Documents to PDF

Conversion of a word processing document to a PDF file is required before any documents may be submitted to the Court's electronic filing system. Instructions for creating PDF files can be found at the ECF web site: <http://ecf.cand.uscourts.gov>, and click on **[FAQ]**.

Email Guidelines: When sending an email to the court, the subject line of the email **must** contain the **case number, judge's initials** and the **type of document(s)** you are sending, and/or the topic of the email.

Examples: The examples below assume your case number is 03-09999 before the Honorable Charles R. Breyer:

Type of Document	Email Subject Line Text
Complaint Only	03-09999 CRB Complaint
Complaint and Notice of Related Case	03-09999 CRB Complaint, Related Case
Complaint and Motion for Temporary Restraining Order	03-09999 CRB Complaint, TRO

Questions

Almost all questions can be answered in our **FAQs** at **<http://ecf.cand.uscourts.gov>**, please check them first.

You may also email the ECF Help Desk at ECFhelpdesk@cand.uscourts.gov or call the toll-free ECF Help Desk number at: (866) 638-7829.

The ECF Help Desk is staffed Mondays through Fridays from 9:00am to 4:00pm Pacific time, excluding court holidays.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

C07-04651

CRB

**NOTICE OF AVAILABILITY OF MAGISTRATE JUDGE
TO EXERCISE JURISDICTION**

In accordance with the provisions of Title 28, U.S.C., § 636(c), you are hereby notified that a United States magistrate judge of this district is available to exercise the court's jurisdiction and to conduct any or all proceedings in this case including a jury or nonjury trial, and entry of a final judgment. Exercise of this jurisdiction by a magistrate judge is, however, permitted only if all parties voluntarily consent.

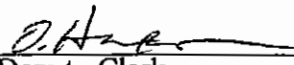
You may, without adverse substantive consequences, withhold your consent, but this will prevent the court's jurisdiction from being exercised by a magistrate judge.

An appeal from a judgment entered by a magistrate judge may be taken directly to the United States court of appeals for this judicial circuit in the same manner as an appeal from any other judgment of a district court.

Copies of the Form for the "Consent to Exercise of Jurisdiction by a United States Magistrate Judge" are available from the clerk of court.

The plaintiff or removing party shall serve a copy of this notice upon all other parties to this action pursuant to Federal Rules of Civil Procedure 4 and 5.

FOR THE COURT
RICHARD W. WIEKING, CLERK


By: Deputy Clerk

E-filing

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA

007-04651

CRB

Plaintiff,

v.

CONSENT TO PROCEED BEFORE A
UNITED STATES MAGISTRATE JUDGE

Defendant.

CONSENT TO PROCEED BEFORE A UNITED STATES MAGISTRATE JUDGE

In accordance with the provisions of Title 28, U.S.C. Section 636(c), the undersigned party in the above-captioned civil matter hereby voluntarily consents to have a United States Magistrate Judge conduct any and all further proceedings in the case, including trial, and order the entry of a final judgment. Appeal from the judgment shall be taken directly to the United States Court of Appeals for the Ninth Circuit.

Dated:

Signature

Counsel for
(Name or party or indicate "pro se")